

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

CBI & EEC

Sir—It may be appropriate that someone whose company is not a member of the CBI and is not in any way involved with its affairs, should comment on recent correspondence in your columns including the letter from their director-general, Mr. Campbell-Adams, on September 28. I find his defence of the CBI's method and depth of consultation on the Common Market issue is fairly strong but may miss one or two subtle points.

Apparently a relatively small percentage of CBI members responded to a circular letter sent out early in August. As correspondence has shown, this can be taken to indicate anything dependent on one's basic views. If it had come to my company, we might well have taken the view that as, at least ten years ago, we decided our future lay in Europe, we had a very significant area of marketing opportunity; therefore, we must take the present debate seriously.

Public statement

A point which worries me is that many British companies no longer seem to feel the need to state their views in favour of Britain's entry. If so they are not taking anti-market forces seriously and they are not paying respect which I think is necessary to the importance for public and internal communications. There is a real need for the management of every British company which has decided (hopefully after consultation) that the best view for their company lies in Europe: to say this publicly, and to communicate and discuss with all the members of their organisation—management, staff and shop-floor. In this way they could take a leaf out of CBI's book—consultation, communications inside and outside with statements of policy as often as necessary.

Perhaps I may be permitted a cynical footnote. The management of some of these companies which did not reply to the CBI letter may well be "asleep" or "sleeping". I believe that the management of a well-organised company would not have considered long ago such an important current topic and would not have had at least one responsible Board or management member available in August who could have responded to the CBI's letter. Moreover, if he did not respond because he was not able to present a clear company view on the issue of Britain joining the Common Market, then the

company has obviously been asleep for some time and might just as well stay that way and die in its sleep. It is not those "sleeping" companies which will make us leaders in Europe if we go in. Nor does it seem sensible that we should protect or mollycoddle those companies by staying out.

Alan Bramley,
Holly Cottage,
Ham Green,
Redditch.

EEC poultry regulations

Sir—As a poultry farmer, I have up to now tended to favour the entry of this country into the Common Market, balancing my natural anxieties with the hope that a general improvement in this country's prosperity will result. However, my confidence has recently been severely shaken by an aspect of Market entry which affects table poultry production.

I understand that as a member country, we shall have to make a number of changes in our system and of production and distribution to conform to requirements of poultry health control. Most of these are of minor importance, and are generally acceptable, but one in particular stands out both in its lack of justification and in the devastating impact it is bound to have on the U.K. poultry industry. It states that by 1976, the traditional fresh, New York dressed bird so popular with discriminating British customers may no longer be offered for sale.

The grounds for this directive, which are alleged to arise from concern for poultry disease control, are flimsy indeed. However, if it is enforced it means the end of a major traditional outlet for agricultural produce and another door closed in the face of the small farmer who has been able to compete with the large producer of frozen birds through the extra quality and flavour of his fresh produce.

The National Farmers' Union has recently endorsed the conditions of entry into the EEC as they affect agriculture, with certain reservations, some of which are of a well-organised company would not have considered long ago such an important current topic and would not have had at least one responsible Board or management member available in August who could have responded to the CBI's letter. Moreover, if he did not respond because he was not able to present a clear company view on the issue of Britain joining the Common Market, then the

First does it mark the acceleration of our plunge down the road towards universal pre-frozen processed and standardised food with production entirely in the hands of monopolies and a progressive decline in freedom of choice? Second, bearing in mind how difficult it is to get any sense out of our own home bureaucracy, is the Commission's attitude towards the hands of Brussels too high a price to pay for the hypothetical advantages of EEC membership no matter how rosy they may seem?

F. L. Clark, Director,
Arnewood Turkey Breeders,
Stacy, Lymington.

Cause of wage inflation

Sir—In your admirable leading article on the subject of Professor Meade's Winnett Memorial Lecture, you quote Professor Meade, referring to the explosive wage inflation of the past two years, as asking how one could expect such a very dramatic increase, and as saying: "No one, I think, can at present give a confident answer."

But, sir, the answer is surely perfectly obvious. It was the direct, and not the indirect, result of the then Government's income policy as administered. After constant extensions of the period of its operation had built up accumulated demand and discontent, the Government, faced by the threat of a very serious militant action in vital sectors, proceeded to permit or sponsor wage agreements in complete breach of the still nominally ruling criteria it had itself laid down. These claims went far beyond anything dreamt of even a very few years before, and they continued to mount.

In fact, if the Government had taken space and time on the mass media to say "militancy and only militancy pays, but it is not by bandwagon, it is by not having done a more disastrously effective job. That is the answer to Professor Meade's question. At the same time, of course, the position of moderate trade union leaders was very seriously weakened.

29, William Place, Edinburgh 3.

Management attitudes

Sir—Your leader of September 30 on Professor Meade's Winnett Memorial Lecture was a very interesting one. I would agree with his comment that unions are monopolistic and have too great

a bargaining power, but his solution, as you indicate are likely to be politically awkward. I think we beg the whole question. The only reason why we have an incomes problem is because the management of our larger organisations have not sufficient guts to say "no" to unreasonable demands and British labour has become conditioned to large-scale concessions that should be afforded. A union's main task is to negotiate for as much cash as it can get and it is management's job to see that they do not make greater payments than can be afforded. Employers too can be conditioned to large-scale concessions that should be afforded. A union's main task is to negotiate for as much cash as it can get and it is management's job to see that they do not make greater payments than can be afforded.

Our management attitude are wrong and entry into the EEC is only likely to confirm this by mounting unemployment in an uncontrolled Britain, while our European friends undercut our markets. We need to change the whole attitude to work and to give wider realisation to the fact that if people slack on the job it is their own loss. How many workers give two twopenny damns for the profitability of their employer? Some purpose may be served if the teaching profession withdrew their heads from the educational sand and taught basic economics to all. The answer to "what's in it for me?" might even be "getting on with the job." No one wants unemployment but to go on giving large amounts of money to mounting redundancies reflects management culpability.

If firms insist on giving increases beyond a norm why not tax the difference? At least I can understand why we are being welcomed into Europe.

A. I. Ferguson,
"Point View",
Strand, Teignmouth, Devon.

Currencies and SDRs

Sir—The Chancellor's suggestion to the International Monetary Fund that its Special Drawing Rights could become, among other things, "the numeraire in terms of which parties were expressed and in relation to which currencies were valued or devalued" in your report of September 29, has thrown out a life-line which floats and non-floaters alike, and not least the U.S., should be quick to grasp. There is a danger, however, that it might inadvertently replace one rigidity by another, if it did not add an altogether new one.

A currency, or even a devalued one, is over-valued in relation to all other currencies to a more or less equal degree, in which case its realignment in

terms of SDRs would, of course, be the obvious and simplest solution. But there may also be cases where a currency gets out of line with one or two other currencies specifically, or does so with them rather more than with the rest, when a selective realignment between the currencies directly concerned could be the easier and more helpful course. Any consequent revaluation or devaluation of them in terms of SDRs (and hence of all other currencies) could then be, at most, marginal.

Such discrimination would also obviate, or at least minimise, the risk that the numeraire Barber conceived to be the second function of becoming the main asset in which countries held their reserves might get in the way of each nor any other could be effectively discharged for long without investing the IMF with more of the authority of a world central bank.

W. Gray,
12, Arden Road, Finchley, N.3.

Undeclared jobs

Sir—In your issue of October 1, L. T. S. Littman tells us of a man drawing £15 per week of social security while earning £25 per week of himself as a haulier. If we accept his story at face value it is difficult to know what implications he wishes us to draw. In any system, particularly involving money, there are ways of beating the system and we know that some people will do it. To quote one isolated case is interesting but not very enlightening.

However, looking more closely at the letter even more interesting information comes to light. We are told the man is self-employed yet he has an employer. Since he is self-employed, anybody using his services is his customer and surely not in a position to question him on his presence in the social security office. The implication of this is that the man is in fact employed on a full-time basis, but is not so enabling the SET, in order to avoid payment of S.T. and National Insurance.

Furthermore, far from ending the fraud by reporting the man to the authorities, the employer only dismissed him so that he could repeat the fraud elsewhere. Mr. Littman, I would not have the audacity to claim to speak for many or even some of the working class, only for myself, when I say that there would be less of these frauds

perpetrated if there were less employers creating the conditions in which they could occur.

D. Brown,
118, Windsor Avenue,
Hillingdon, Middlesex.

Aid for the underdeveloped

Sir—The report of a record low price for cocoa and falling prices for many metals make dismal reading for those concerned with development problems in the third world. Add to this the continuing monetary crisis, which predictably has led to a cut in U.S. aid; and the situation in trading which will severely affect the underdeveloped countries while the rich nations haggle over the price of gold, and the outlook is indeed bleak.

Against this background, the steadfast refusal of the Government to make any worthwhile increases in official aid appropriations seems even more misguided than when the policy was announced a year ago. The case for official aid to be raised to at least 0.7 per cent of GNP has been argued with inassailable logic by the Pearson Commission and the U.N. International Development Decade, and our own self-interest demands a sustained effort to reach this target, thus improving the wealth, trading potential, and stability of the under-developed world.

Present progress, alas, is decidedly negative.

G. D. Mayes,
58, Beechwood Road,
S. Croydon.

Underpowered lorries

Sir—We constantly read about road conditions, bad driving, motorway madness and any number of ways in which driving can, or should, become safer. There is, however, one factor which is ignored, and in my view it is a major contributory factor to some of the chaos which exists on the roads today. I am talking about the large number of heavy lorries which motor along quite happily at reasonable road speeds, as long as the road remains completely flat or even goes downhill. However, as soon as they come to the slightest incline, even as little as 1 in 40—their speed drops to something below 10 mph. This causes inevitably—on all roads except motorways—the most enormous build-up of

traffic and, sooner or later, unfortunately, someone chances his band.

Is it reasonable that these lorries should be allowed on the road at all? In fact, are they roadworthy? In this day and age when it is possible to propel hundreds of tons at twice the speed of sound there is no earthly reason why axle ratio and engine size should not be related to the carrying capacity of the vehicle in such a way that it can maintain reasonable speeds at all times. I would earnestly suggest that the Government introduce legislation to do something about this state of affairs.

F. R. Marx,
83, Leckhampton Road,
Cheltenham.

Direct debit logic

Sir—May I add a belated footnote to the correspondence on direct debit?

When I finally got around to raising the matter with my bank manager, and asked my permission had not been sought before changing a standing order in my account into a direct debit he replied as follows. That with the inception of the scheme the bank did, in fact, start to send out forms asking customers to signify their agreement. The majority, however, objected, so the bank stopped sending out the form, and anything else, you must admit the logic is devastating.

Laurence Crabb,
80a Chichester Road, N.W.5.

Insurance

Sir—I wonder whether I am alone in thinking that the services provided by some of our well known insurance companies to the private policyholder leave much to be desired? I insure my car and my house with two household names in the insurance world. I recently received a renewal notice for my car premium two weeks ahead of the due date showing a net increase of 70 per cent, and accompanied by a cold little notice informing me that all discounts, etc., save my maximum no-claim bonus no longer applied. I wrote rudely back complaining principally that the period of notice given to me was too short to enable me to shop around and demand a 30-day cover note to give me time to do so. This was sent.

My householders renewal notice followed but on the heels of that for the car. It was S.W.15.

accompanied by a glossy little pamphlet telling me that my sum assured (in common with the whole world) was too small and magnanimously proclaiming that the company had unilaterally increased it for a certain contingency at no additional cost to myself. I examined my policy and could find no trace of the particular contingency referred to. I rang the London office to enquire what the pamphlet meant and was told that as mine was an old policy, the contingency did not appear in print although it was covered for it.

I am now coming to the point. In both cases the insurance company concerned told me that it had not been possible to notify me (a) in good time that my car premium was to rise by an exorbitant 70 per cent, and (b) that my householders policy was out of date, for the simple reason that there are so many policyholders.

I fully realise that I do not provide the bread and butter for these two companies but, on the other hand, they are happily taking my money each year. So I have taken nothing from them—20 years with one and seven with the other. They may have a problem but so have I and I expect to receive service when I pay for it.

D. S. MacKichan,
Redlynch,
Poppa Lane, Cooden,
Beckhill-on-Sea.

Sensible concert wear

Sir—Your Music Critic (Ronald Crichton, September 28) rightly applauds Klemperer for breaking the tradition of tails which is incidentally a peculiarly British anachronism—the Vienna Philharmonic wear an "issue" grey lounge suit.

Tails are a serious restriction when seated, and it so happens that the two buttons on the back are neatly striped by the seat backs at the Royal Festival Hall when the orchestra rises.

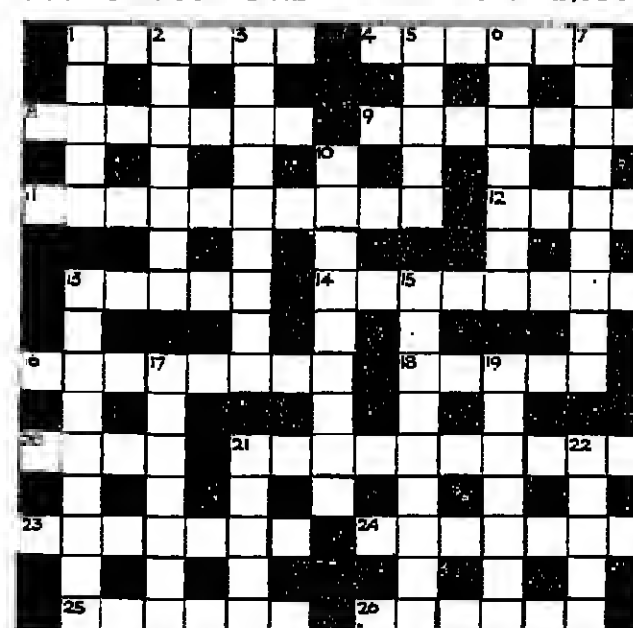
The London Sinfonietta, or at any rate the male members, now appear in blue high neck sweaters, a sensible compromise, but the effect on the platform is spoiled by the women who have liberated themselves too far with a blaze of distracting colours. Slacks and sweaters would suit them too, especially as they tend to congregate among cellos and basses where long dresses are a positive nuisance!

Peter E. Sharp,
24, Dover House Road,
London S.W.15.

ART GALLERIES

ORIAN GALLERIES, 57 Portico Place W.2, LACASSE Boleyn Master.
KAPLAN GALLERY, 5 Duke Street, S.W.1, J. M. W. Turner 1804-1851, First London Exhibition, Mon. to Sat. 10-6.
LIVERIE GALLERY, Early paintings 1700-1850 by Edward Surtis on view October 5-30. Daily 10-5.50, Sat. 10-12.30. 101, Regent Street, W.1.
LEITCHER GALLERY, 221 Portico Place, W.1, GLEN, HILLMAN, sculptures, 10-5.30 Sat. 10-1.
MARLBOROUGH FINE ARTS, 5 Abchurch Lane, W.1, Ben Nicholson new relief Oct. 10-5.30, Sat. 10-12.30. 101, Regent Street, W.1.
OWELL GALLERIES, New selections of art 19th and 20th Century Paintings, 22 Abchurch Lane, W.1, Ben Nicholson new relief Oct. 10-5.30, Sat. 10-12.30. 101, Regent Street, W.1.
THE PARKER GALLERY, 22 Abchurch Lane, W.1, Ben Nicholson new relief Oct. 10-5.30, Sat. 10-12.30. 101, Regent Street, W.1.

F.T. CROSSWORD PUZZLE NO. 1,684



- ACROSS
- General name for a football team (8)
 - Forensic chap follows the column (6)
 - Evening full of the wings (Yeats) (7)
 - Bricks that score goals (7)
 - Desire for a car in Berks (10)
 - A date to upset any lady (4)
 - Snacks with a proboscis (5)
 - Cardinal distinction (8)
 - French university hither about German capital (8)
 - Snakes one's belongings (5)
 - A small branch to understand (11)
 - You can read the heart of the county (10)
 - The which's place has two points in support (7)
 - Hurries behind a woman's skirts (7)
 - Several find the daily dull (16)
 - An afternoon service (16)
- DOWN
- Tonny in France (5)
 - A fellow gets old but he copes (7)
 - Bear in mind, you have to provide hospitality (9)
 - Request to peruse the Maid of the Mountains (5)

TV/Radio

* Indicates programme in black and white.

BBC 1

9.30 a.m. For Schools and Colleges. 12.30 p.m. State Visit of the Emperor of Japan. 1.30 p.m. Watch with Mother. 1.45 p.m. 12.00 For Schools. 1.45 p.m. Nurses in Training. Part 1. 2.15 p.m. Paraplegia. 4.15 p.m. Play School. 4.40 p.m. Jackanory. 4.55 a.m. Animal Magic. 5.20 p.m. Harlequinade. 5.44 p.m. Roundabout.

CLUBS

EVE, All-in Dinner or a 2 course from 10.10 a.m. until 11.30 a.m. Cabaret 1.0-1.15. Ger. 48.23. Broad Street W.1.

MURRAY'S CABARET

One from 8.0. World renowned floorshows 10.15 and 1.15. Ger. 48.23. Broad Street W.1.

NEW GARGOYLE

Wine, one from 8.0. 10.10 a.m. until 11.30 a.m. Cabaret 1.0-1.15. Ger. 48.23. Broad Street W.1.

BBC 2

9.30 a.m. Labour Party Conference. 11.00 p.m. Play School. 12.15-12.30 p.m. Labour Party Conference. 1.45 p.m. 12.00 For Schools. 1.45 p.m. Nurses in Training. Part 1. 2.15 p.m. Paraplegia. 4.15 p.m. Play School. 4.40 p.m. Jackanory. 4.55 a.m. Animal Magic. 5.20 p.m. Harlequinade. 5.44 p.m. Roundabout.

CHANNEL

9.30 a.m. Labour Party Conference. 11.00 p.m. Play School. 12.15-12.30 p.m. Labour Party Conference. 1.45 p.m. 12.00 For Schools. 1.45 p.m. Nurses in Training. Part 1. 2.15 p.m. Paraplegia. 4.15 p.m. Play School. 4.40 p.m. Jackanory. 4.55 a.m. Animal Magic. 5.20 p.m. Harlequinade. 5.44 p.m. Roundabout.

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9.30 a.m. Labour Party Conference. 11.00 p.m. Play School. 12.15-12.30 p.m. Labour Party Conference. 1.45 p.m. 12.00 For Schools. 1.45 p.m. Nurses in Training. Part 1. 2.15 p.m. Paraplegia. 4.15 p.m. Play School. 4.40 p.m. Jackanory. 4.55 a.m. Animal Magic. 5.20 p.m. Harlequinade. 5.44 p.m. Roundabout.

RADIO 1

2.47 p.m. News. 3.00 p.m. News. 3.15 p.m. News. 3.30 p.m. News. 3.45 p.m. News. 4.00 p.m. News. 4.15 p.m. News. 4.30 p.m. News. 4.45 p.m. News. 5.00 p.m. News. 5.15 p.m. News. 5.30 p.m. News. 5.45 p.m. News. 6.00 p.m. News. 6.15 p.m. News. 6.30 p.m. News. 6.45 p.m. News. 7.00 p.m. News. 7.15 p.m. News. 7.30 p.m. News. 7.45 p.m. News. 8.00 p.m. News. 8.15 p.m. News. 8.30 p.m. News. 8.45 p.m. News. 9.00 p.m. News. 9.15 p.m. News. 9.30 p.m. News. 9.45 p.m. News. 10.00 p.m. News. 10.15 p.m. News. 10.30 p.m. News. 10.45 p.m. News. 11.00 p.m. News. 11.15 p.m. News. 11.30 p.m. News. 11.45 p.m. News. 12.00 p.m. News. 12.15 p.m. News. 12.30 p.m. News. 12.45 p.m. News. 1.00 p.m. News. 1.15 p.m. News. 1.30 p.m. News. 1.45 p.m. News. 2.00 p.m. News. 2.15 p.m. News. 2.30 p.m. News. 2.45 p.m. News. 3.00 p.m. News. 3.15 p.m. News. 3.30 p.m. News. 3.45 p.m. News. 4.00 p.m. News. 4.15 p.m. News. 4.30 p.m. News. 4.45 p.m. News. 5.00 p.m. News. 5.15 p.m. News. 5.30 p.m. News. 5.45 p.m. News. 6.00 p.m. 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by B. A. YOUNG

Seiji Ozawa

by RONALD CRICHTON

Could it be that the orchestra were not at their most fastidious because they had given already generously during Kachatrian's gaudy rumpus of a piano concerto? The soloist, Philippe Entremont, formed to splendid effect, a superbly trained, perfectly rampaged, phrasing available for the quiet bits of Ravel and Falla which are to be described now and then floating by on the flood of coarser things. Ozawa began with the *Forza del destino* overture. Here, if you can think of this merely as a prelude to the *Forza* which is the prelude to one of Verdi's grandest middle-period operas, was some sterling playing.

Start of the season

by GEORGE OPPENHEIMER

Among the comedies, Neil Sminu will be represented with *The Prisoner of Second Avenue*, and reunited with director Mike Nichols. The action concerns a victim of the current recession, and his family. Robert Anderson will have two one-acters on the subject of loneliness, *Solitaire* and *Double Solitaire*, already seen at Edinburgh, and E. Lee will be remade and Robert Lewis will be *The Incomparable* with Richard Kiley playing two characters out of Beethoven's *Serenade*. Men and Clive Revill as Max.

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"Alexander and Campaspe in the studio of Apelles," by G. B. Tiepolo

Tiepolo Exhibition—1

Virtuosity of G. B. Tiepolo

by DENYS SUTTON, Editor of Apollo

Leading almost exactly the same British musicians, with whom he toured Europe early in 1970, Benny Goodman played two concerts in England last week and again showed that his sobriquet "King of Swing" is no mere journalistic gimmick. At the Albert Hall on Saturday evening, before an almost delirious audience, he again demonstrated his self-efflessness, his masterly control of the clarinet. So much so that even allowing for his obvious good spirits several times he indulged in uncharacteristic, unnecessary clownish antics on his instrument.

An improvement over last year was his marked enthusiasm for small group work-out (of which there were several) with the completely sympathetic rhythm section. The chill poignancy of *The Lion I Love and Memories of the 1940s* contrasted admirably with the *Swing Georgia Swing* and *Swing Street Georgia Brown* and *Arcelon*.

Naturally the exhibition is unable to show Tiepolo as a fresco painter but it most nobly reveals his quality as a master of the sketch or the modello, and his authority in the drawing of Rubens. It says much for his competence as an artist that he was able to work out complex compositions of immense size; he felt no lack of self-confidence in sketching or in achieving the well known as he has done. It will have been the case when the achievement of such predecessors as Tintoretto and Veronese is remembered. His great gift was a sense of scale; he had the power to be gauged to their background and to

Albert Hall

Benny Goodman

Leading almost exactly the same British musicians with whom he toured Europe early in 1970, Benny Goodman played two concerts in England last week and again showed that his sobriquet "King of Swing" is no mere journalistic gimmick. At the Albert Hall on Saturday evening, before an almost delirious audience, he gave a demonstration with blithe effortlessness and masterly control of the clarinet. So much so that even allowing for his obvious good spirits several times he indulged in unusually characteristic, unnecessary clownish antics on his instrument.

An improvement over last year was his marked enthusiasm for small group work-outs (of which there were several) with the completely sympathetic rhythm section. The chill poignancy of *The Man with the Moon in His Hand*, *You Can't Get a Man with the Swooning, Hustling Lightness of Sweet Georgia Brown* and *Ardent*.

Goodman again gave ample solo features to his sidemen, among whom John McLeavy achieved what he threatened to do last year—stop the concert with his gurgling, witty statements on trumpet and flugel.

Hampstead Theatre Club

Women's Libby

No recruit here to the ranks of the revolutionary female band. Libby Morris is too experienced an actress to sink us more than waist deep in wishful domesticity. After a bad moment of rhyming her first name with Adam's, Libby, she is off and away, belting out a newly discovered Cole Porter number "A Woman Cares," impersonating Edith Piaf, Bette Davis, and one of the Peanuts characters (very good, this one). Rubber-faced, she jolts us along with Don Lawson and Dennis Bowden until visible behind a net curtain to provide the music on drums and base.

Nevertheless the star of the evening was unquestionably the 62-year-old clarinetist whose confident, pure tone is still one of the most exquisite sounds to he heard in swing- or jazz-music to-day.

KEVIN HENRIQUES

DANIELLE DARRIEUX

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ALAN BADEL AS KEAN

Elizabeth Hall

Cherkassky

by DOMINIC GILL

voices speaking against languorous ones, sour against sweet, soft against hard, and the final dash of a concluding rondo, by breathless turns serious and gay.

His performance of Prokofiev's seventh sonata was characteristically quirky, but extraordinarily convincing. He was clearly in command, thought and respaced on new terms. I do not remember ever having heard the Seventh's first movement so clouded by pedal, or soothed through with impetuous, and then calmly freed, and yet so cogently—knit together. Everything was held in balance, and the music was a triumph.

Rakshabhatnagar, a trumpet swiftness, and a Russian, the de Don Juan he played the programme in grand style, skimming easily over the hurdles of one of the most difficult pieces for keyboard ever written—and playing it with a grace and equality of timbre to the many appearances of "La ci darem." Before we left, he cooled us with a voluptuous Chénre de Luce encore, and a little Góndowsky as a genuine encore, and then again with a very fast and humorous reading of Chopin's op 10 C sharp minor study.

Festival Hall

Ivan Davis

The Liszt concertos were done, with an apt sense of theatre and a touch of the apparently better work), in reverse order. Apart from anything else, this gave Mr. Davis the chance to play himself in the quiet introduction of the A major before launching into any acrobatics. Yet he hardly seems to need such encouragement. His virtuosity is so easy and unforced as to seem immune from

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American News

Rogers insists on UN seat for Taiwan

By Our Own Correspondent

UNITED NATIONS, Oct. 4. THE U.S. Secretary of State, Mr. William Rogers, said today in an address to the UN General Assembly that the U.S. wanted China to take its seat in the Assembly and assume permanent membership (with the right of veto) in the Security Council.

But a related and momentous issue was the move by a number of member states to have Taiwan expelled. Such action would expel 14m. people from UN councils. Mr. Rogers said, adding: "The path of expulsion is perilous. To open it for one would be to open it for many."

The American proposal to seat both Chinese governments would "provide representation for the people concerned by those who actually govern them," Mr. Rogers said. "But it does not divide China into two separate states."

The resolution to seat Peking at the expense of Taiwan's expulsion would "exacerbate, not harmonise, relations in Asia."

On the Middle East, Mr. Rogers called for an interim agreement to include the reopening of the Suez Canal. He said there were important strategic considerations involved in the "key point" about troop withdrawal, but the U.S. believed it should be possible to meet the concerns of both sides.

Mexico starts European export drive

By Hugh O'Shaughnessy

Latin America Correspondent

MEXICO launched a major export marketing effort in Europe yesterday with the arrival in London of a 30-strong mission headed by Sr. Julio Faesler, Director-General of the Mexican Institute of Foreign Trade. Mexico fears grave disruption to her exports following the imposition of the 10 per cent surcharge by the U.S. which takes 70 per cent of all Mexican exports.

Speaking at a Press conference on his arrival Sr. Faesler said that Mexico expected that Washington would not only reduce the surcharge quickly but also honour its commitment to institute generalised preferences for the manufactured goods of the developing countries. The value of the peso would, he said, remain linked to that of the dollar.

Members of the mission would also be visiting Brussels to make representations to the EEC Commission about various aspects of the Common Agricultural Policy which hit Mexico's trade in fresh and tinned fruit and vegetables, meat and cereals.

While in London the mission is seeing Mr. John Davis, Minister for Trade and Industry and representatives of the Confederation of British Industries and the London Chamber of Commerce and Industry where joint ventures will be discussed.

Brighter prospects for Trans-Alaska Pipeline

By Guy de Jonquieres

WASHINGTON, Oct. 4.

THE SECRETARY of the Interior, Mr. Rogers Morton, said today that he injected a note of optimism into the prospects for the planned Trans-Alaska pipeline by stating that he expected to have completed his report on the environmental implications of the project by mid-December.

He told a Press conference that it would take the Administration only a few weeks after completion of the report to reach a decision on whether or not to grant construction permits for the pipeline, but he also warned that the government decision is subject to a court ruling and that proceedings could still be held up by legal difficulties.

While Mr. Morton insisted that he had not yet reached a decision on the project, the general tone of his remarks is clearly encouraging for Alyeska—the consortium of seven oil companies, including British Petroleum, to manage and operate the pipeline project. Alyeska submitted its proposed design and specifications to the Department of the Interior in a voluminous 24-volume study on September 23. Mr. Morton said that the study was so unambiguously large that the time needed to analyse it had caused the Department to postpone the completion of its own report, originally scheduled for the middle of this month.

The Secretary indicated strongly that the delay was not a change of mind by the Administration over the Alaska project. In an interview published last week, he struck gloom into the hearts of the oil companies by suggesting that he was looking with renewed

Puzzling

to the West Coast, where he said it was most needed. Mr. Morton's insistence on the West Coast need for oil appeared somewhat puzzling. In the light of previous statements by other government officials and oil analysts that the greatest need for energy resources is on the East Coast and in the Mid-West of the U.S.

While the Alyeska study was still being analysed by Government specialists, Mr. Morton showed himself well-pleased with it today and said that it removed a major problem by setting out, for the first time, a specific undertaking by the consortium to build the pipeline according to the Department's environmental stipulations.

He said that the point had now been reached where a good many of the difficulties of specification had been cleared up, such as the commitment by Alyeska to build its terminals at the port of Valdez on solid rock, to protect them from earthquakes. One of Mr. Morton's chief assistants on the pipeline study, Dr. William Pecora, confirmed that in the Department's view many of the major obstacles had been

resolved. "We are convinced that it is now a question of tidying up the project descriptions, requesting more information from Alyeska and of making amendments to bring it into line completely with our stipulations," he said.

He said that permits for construction will be granted for specific sectors of the pipeline over a period of time, and not all at once. There will also be Government inspectors on hand, both during and after construction, to check on the environmental effect of the pipeline. In a gesture to calm the objections of environmentalists, Mr. Morton also said that if construction goes ahead, the Administration will have the authority to halt it at any moment if it is not being carried out according to Government requirements.

PRAIRIE PROVINCES \$C200M. PLAN

By Our Own Correspondent

TORONTO, Oct. 4.

Imperial Oil has announced plans to spend \$C200m. over the next three years on a new petroleum-product supply system to serve Canada's three prairie provinces, Manitoba, Saskatchewan and Alberta.

The major part of the programme will be construction of a 140,000-barrel-a-day refining complex at Edmonton, which will be capable of supplying all of Imperial's requirements in the three provinces. A pipeline system will link the new plant with product terminals at Calgary, Regina and Winnipeg.

Connally wants fiscal talks

By Paul Lewis, U.S. Editor

WASHINGTON, Oct. 4.

A NEW drive at the international level to iron out fiscal distortions to trade was called for today by the U.S. Treasury Secretary, Mr. John Connally. He was giving the inaugural address to the 25th Congress for the International Fiscal Association at George Washington University here.

Mr. Connally suggested the creation of an international secretariat which would examine and propose ways of resolving some of the problems caused for trade and capital movements by differences in fiscal policy between one country and another.

He singled out two such practices, in particular: border tax adjustments under which manufacturers are rebated local taxes on export orders and compensatory duties are imposed on foreign products entering the country. Investment incentives for companies which then proceed to export most of their product to other countries are particularly attractive terms.

Mr. Connally also said that a broad agreement on "fiscal norms" would help to counteract international tax evasion.

Distortions

The importance of the Treasury Secretary's remarks is that they show the U.S. feels itself discriminated against in the trade and capital movements field by the fiscal policies of other countries. Coming only a few days after he told the annual IMF meeting here that the U.S. wanted to negotiate a new and fairer economic order, they also suggest that fiscal

questions will figure prominently among its detailed demands. In the past successive U.S. administrations have never disguised their belief that the border tax practices of the Common Market countries in particular discriminated in favour of their own exporters and against foreign goods. The distortions that regional development incentives can have on trade as well as some of the activities of the inter-

Financial problems for U.S. rail authority

By Nicholas Colchester

NEW YORK, Oct. 4.

THE JUSTIFICATION of claims made by the big railway companies of the U.S. that they are losing a lot of money carrying passengers has been starkly brought home to the Government. After five months of operation, Amtrak, the Government sponsored company which took over the passenger service, is making losses band over fist.

The company is not yet ready to come out with some figures but it seems that its operating deficit is running at the rate of perhaps \$150m. a year. The feeling is that it will be shortly turning to Congress for a cash infusion of up to \$300m.

Amtrak was set up last year and went into operation this spring. It was initially provided with \$40m. of Government funds

and a Federal loan guarantee to cover further borrowing up to \$100m. In addition, the railway companies are paying almost \$200m. into the company to compensate it for taking the load of losses off their shoulders. The trouble is that this money trickles in rather slowly. If and when Amtrak does turn to Congress for more money, the request is bound to result in some angry mutterings. At the time when Amtrak was about to start its operations voices were heard on Capitol Hill maintaining the whole programme was under-financed. At that time the organisers were adamant that they would not need additional funds. Now they are said to be discussing a request for enough money to cover the first two years' losses.

CANADIAN AIRCRAFT INDUSTRY

In need of rationalisation

By James Scott, Toronto Correspondent

CANADA's aircraft industry, which was soaring high only three or four years ago on U.S. defence orders and the prospect of capturing the international market for short-takeoff-and-landing (STOL) aircraft, is in a nosedive that may lead to its virtual destruction unless rationalisation plans being considered by the federal Government and the companies concerned materialise soon.

Defence sales have slumped, expected demand for the STOL aircraft has not developed, and the parent companies of the two concerns in the field have withdrawn their financial support from the projects. As a result, employment in the industry has taken drastic cuts, and there have been widespread layoffs. It has been announced to take effect through the balance of this year. A survey by the Air Industries Association of Canada shows that, based on orders now on hand, employment in the aerospace industry in Canada will be down to about 15,000 next year, compared with about 48,000 only four years ago.

The situation was saved from further deterioration by the U.S. decision to back a \$250m. loan to Lockheed to keep the TriStar L-1011 programme afloat. About \$65m. worth of sub-contracts on the L-1011 are spread through the Canadian industry and their loss would have badly hurt a number of companies. But the effect of the U.S. surcharge will have on employment in the industry has yet to be determined. The surcharge will not apply to defence export orders, but will be levied against orders for the civil aircraft sector, and this could be disastrous.

The Canadian Government, which has been giving substantial financial support to the STOL projects, is being besieged by the aerospace industry to take a hand and continue its financial assistance beyond the expiry date scheduled for the end of this

year. But the Government appears reluctant. The Transport Minister, Mr. Donald Jamieson, not long ago said that in supporting the development of STOL aircraft, the Government had to contend with foreign parent companies that "don't give a boot" about the development.

The recent White Paper on National Defence was expected to contain some encouragement for the industry, but this failed to develop. The industry had hoped that the White Paper would offer support for a new maritime patrol aircraft to replace the ageing Argus fleet that watches over the Atlantic and Arctic approaches to Canada, but there was no word about the future of the Argus, although the aircraft will reach the end of its effective life in the next couple of years. The industry wanted the Government to use the lure of big defence orders for a replacement to cajole one of the other of the foreign parent companies whose subsidiaries are in Canada into putting up more money.

Consortium

The two companies in the STOL field are de Havilland Aircraft of Canada, a subsidiary of Hawker Siddeley of Britain, and Canadair, a subsidiary of General Dynamics of the U.S. They are studying several possible ways of rationalising their operations. De Havilland will continue to receive from the federal Government 90 per cent of the cost of keeping its STOL programme alive until December. A decision must be made at least a couple of months before then on what to do next.

Meanwhile, the federal Government is pushing the idea of having two foreign aircraft manufacturers and Canadian financial interests buy de Havilland from its British parent. The con-

sortium would include Boeing of the U.S., Dassault-Breguet of France and Brascan, the Canadian group with large utility holdings in Brazil and substantial investment interests in Canada and the U.S. Control of the new company would rest in Canada. De Havilland's technical capability would be supplemented by Boeing and Dassault, and Brascan and the federal Government would provide the money. Earlier plans to merge de Havilland and Canadair have been dropped to all intents and purposes.

De Havilland and Canadair have STOL planes in various stages of development. De Havilland has completed the design of a 48-passenger transport it calls the DHC-7, an offshoot of its military Buffalo transport. It estimates that the first deliveries could begin in 1974 if sufficient orders are received. Canadair has a prototype model of its C1-246 aircraft, a 70-passenger, tilt-wing, civil transport that can fly up, down, backward, forward or sideways.

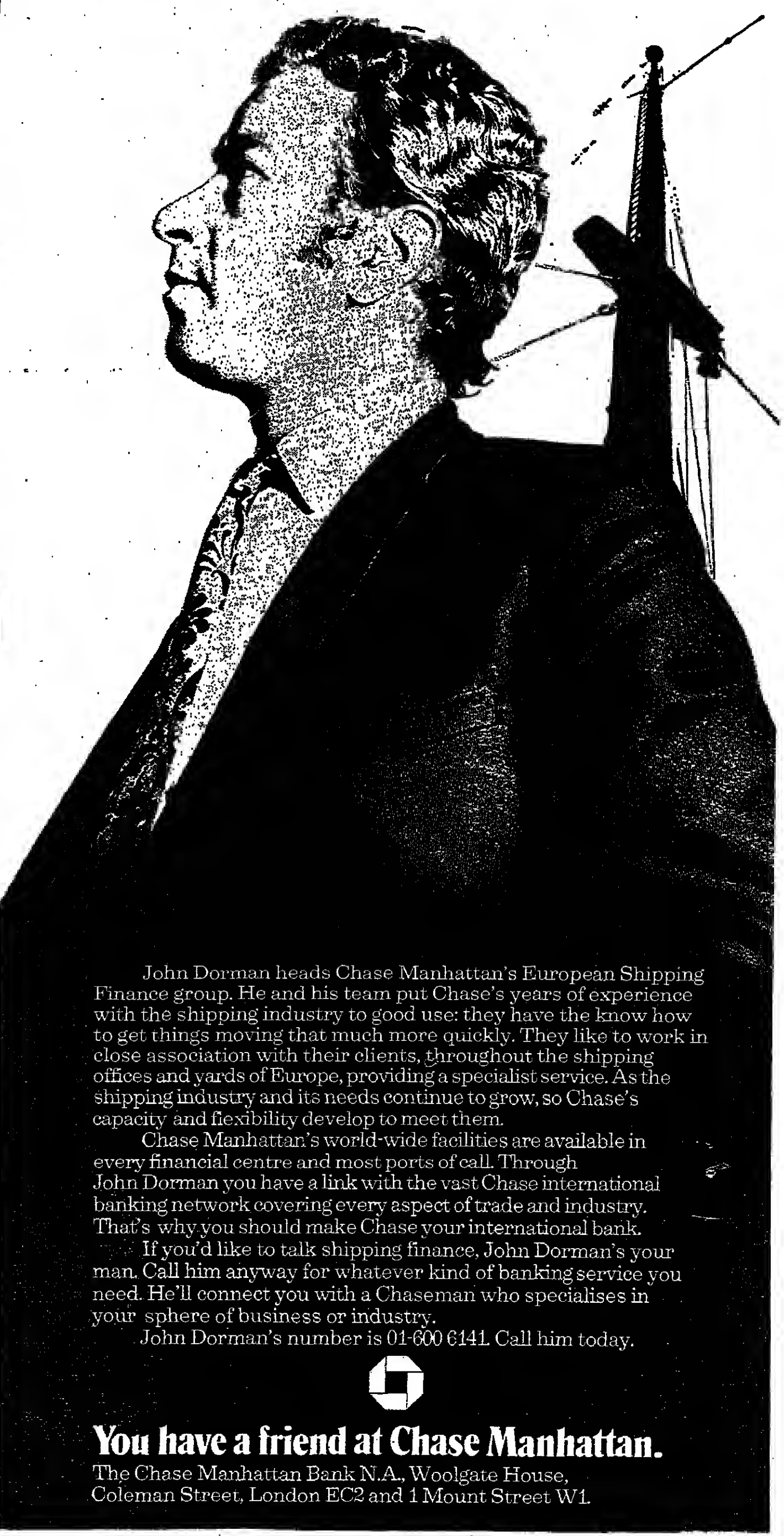
Replacement

The problem facing the Government is the effect of a rationalisation programme on two provinces. De Havilland is based in Ontario and Canadair in Quebec. Unemployment is worse in Quebec than in Ontario and unless the Quebec economy is upgraded by creating or saving jobs, the old bogey of separatism could rear its head. So the federal Government's biggest problem is to find a politically acceptable solution that will not offend either Quebec or Ontario when Canada is trying to find a basis for mutual co-operation among all the provinces.

This may be why there was no mention of a replacement for the Argus in the White Paper. Two aircraft to replace the Argus are considered in the running. They are the Hawker Siddeley Nimrod, manufactured in Britain, and the Lockheed Orion, manufactured in the U.S. There have been indications that the Orion could be manufactured in Canada under licence, possibly at the Canadair plant in Quebec. On the other hand, an order for the Nimrod could prompt Hawker Siddeley to put up some of the money needed for production of the DHC-7 by its de Havilland subsidiary in Ontario, which Hawker Siddeley thus far has refused to do. The Federal Government's problem is a sticky one. If it opts for the Orion, it could offend Ontario, while if it decides on the Nimrod, it could have more trouble with Quebec. There appears to be no easy way out.

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Export News

£20m. Peru irrigation deal ready

REPRESENTATIVES of the Mitchell Construction Group have arrived in Lima to sign a £20m. contract with the Peruvian Government for construction of the first stage of an irrigation project in the Majes area of Southern Peru. It is reported.

They will sign the contract with President Juan Velasco Alvarado on Sunday, third anniversary of the coup which took the Left-wing leader to power.

The entire Majes project, including seven hydro-electric stations, will cost an estimated £130m. Part of the money is being loaned to Peru by the Inter-American Development Bank.

Millbank in Jamaica motor contract

MILLBANK TECHNICAL SERVICES (MTS) has reached agreement with the Ministry of Finance, Jamaica, for the supply of medium-term credit of more than £500,000 of vehicles and mechanical equipment for the 1971-72 Communications and Works programme. Suppliers include the Ford Motor Co., British Leyland Truck and Bus Division, and Caterpillar Tractors.

MTS has also recently reached agreement with the Sierra Leone Ports Authority to supply trailers and tractors to the value of £87,000 on similar repayment terms, the suppliers to be Vauxhall Motors and Scammell Lorries.

These agreements take the total volume of MTS business this year to £4.5m. Millbank Technical Services is a private limited company wholly-owned by the Crown Agents, established three years ago to broaden the scope of Crown Agents' services in areas of business where the requirement is for a commercial entity rather than for the traditional agency services. The company specialises in the negotiation of comprehensive contracts to bring together equipment and services under single management including the provision of credit facilities if required.

Carpet sales head for peak

BRITISH manufacturers of tufted carpet are confident that export sales in 1971 will be a record. The Tufted Carpet Manufacturers' Association has revealed that exports in the seven months ended July this year totalled 6.9m. square yards—an increase of 660,000 square yards on the corresponding figure for 1970, in which year exports reached a record 11.57m. square yards.

The value of sales in the seven-month period was £7.5m. compared with £6.5m. for the same seven months of 1970. Total exports in 1970 totalled £12.91m. Principal markets for British tufters in the first seven months of this year have been Switzerland (£1.23m.) and Sweden (£1.2m.).

Bush telephone

STANDARD TELEPHONES AND CABLES has supplied and installed a telephone network in Zambia which offers national subscriber trunk dialling in the Republic. The contract was worth £220,000.

The network will enable the Naama coalfield near Choma to have instant communication with its major customer, the Zambia copper mines almost 400 miles away on the copper belt around Kitwe.

THE U.S. DOCK STRIKE

Advance shipments give U.K. a breathing space

BY DAVID CURRY, EXPORTS EDITOR

THE stockpiling of British exports in the U.S. over the past two months will go far to nullify the effects of a short East Coast dock strike. If the strike lasts beyond this, air cargo can absorb some extra capacity, but this will make only a slight impact on the goods snarled up by the stoppage.

The bulk of Britain's trade with America is by sea through the East Coast ports. In 1970 only 10 per cent of U.K. exports went through the West Coast, principally Los Angeles and San Francisco (worth \$145m.).

But although sea freight accounts for some 98 per cent. of the weight of British exports, it accounts for only 70 per cent. of its value. The 64.8m. lbs. of goods going by air cargo in 1970 were worth \$478.4m.

The major terminus ports in the U.S. for British goods are New York, Boston, Baltimore and Houston.

It is feared that British manufacturers have been shipping very heavily in the past two months to beat the strike. Chrysler reports that all anticipated demand until Christmas is now in the U.S.

Search imports into the U.S. in August were worth £20.5m., up 142 per cent. in volume and 148 per cent. in value on August last year.

However, shippers are looking at the possibility of sending goods into North America through the Canadian ports and the U.S. Great Lakes ports. However, it is not certain what the labour position is nor that the ports can cope with a sudden influx of goods. The Canadian West Coast port of Vancouver is heavily choked with ships diverted from the strike-bound American West Coast.

The heavy volume of pre-strike shipping probably explains why the air cargo carriers have so far met with very little extra demand for space.

However, they expect demand to jump if the strike lasts more than a couple of weeks. BOAC is already putting 10 extra 707 freighters to the North America route in the next two weeks. Normally it flies six a week to New York and two to Detroit and Chicago via Montreal.

The Corporation said that the change-over to winter schedules, and the advent of the Jumbos enabled it to make more capacity available for cargo carrying.

However, it insisted that regular customers would be protected. Each is being guaranteed a minimum amount of space on cargo DC8s and these are under pressure.

Mr. Maurice Calvert, sales manager of the air broker Clarkair International, said that air cargo faced a severe shortage of aircraft. "You have to send full aircraft to the U.S.," he commented. "You can't split them. That means you must by 707s and the volume of air cargo."

Mr. W. Beard, director and general manager of air cargo agents Air Wingate, said that although there had been a small rise in imports, it would be at least three weeks before the strike pushed up substantially the volume of air cargo.

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CRICKET

Diplomatically a fine side

BY TREVOR BAILEY

A SMALL Australian committee has chosen an interesting, but strangely unbalanced team to meet Australia in place of the scheduled South African Tour. Although this is officially termed a World XI, it can by no stretch of the imagination be said to resemble the best available. Nevertheless, the selected party should manage to beat what must surely be the weakest Australian side since the war, but not with the ease that it would have done if it had been the prime objective.

On the evidence of the MCC out there last winter and Australia's last tour of South Africa, the Australian batsmen are woefully weak against genuine fast bowling, and indeed some of their players might even be termed "bouncer happy" as they so clearly showed when weaving and ducking against Lever, whose pace is best described as lively fast-medium.

In these circumstances it is rather odd to find no really quick bowlers included in the World XI, though their absence will doubtless please the Australian batsmen. It is true that Peter Pollock was distinctly hostile some years ago but he is now no more than fast-medium.

Diagrams of this multi-racial side is a masterpiece as it contains three West Indians, three Pakistanis, three Indians, three Englishmen (Greig has been included in this category because he has been capped by England, three South Africans and one New Zealander. Another player, a wicketkeeper, will be added to the party. The obvious choice is Alan Knott, who is one of perhaps four Englishmen who could claim a place in a genuine World XI on actual merit.

The English contingent for this trip, Hutton, Greig, and Gifford, are included in the World XI, though their absence will doubtless please the Australian batsmen. It is true that Peter Pollock was distinctly hostile some years ago but he is now no more than fast-medium.

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Bayer ending highly chlorinated PCB chemical sales

BY JOHN TRAFFORD

FOLLOWING PRESSURE from the West German Ministry of Health, Bayer has decided to stop marketing highly chlorinated PCBs, chemicals widely used as plasticisers in plastic films and paints, by the end of the year anywhere in the world.

Monsanto, the only producer in the U.K. and the U.S. stopped selling the products in both countries recently because of the possibility that the chemicals might be poisonous. The company imposed a voluntary ban on production at its plant at Newport, Monmouthshire.

Sales of the less highly chlorinated PCBs, used as transformer and hydraulic system fluids, is continuing in the U.K. and elsewhere, since these applications are controllable and there is little danger that the chemicals will escape into the outside environment.

As soon as Bayer stops sales of the highly chlorinated products in Germany, Monsanto is expected to follow suit.

The German Health Ministry's investigations have shown that what in many cases was first thought to be DDT was in fact PCBs. In Germany DDT is banned—although its use is allowed for a few purposes—and the EEC Commission is understood to be about to ask other member-states to do likewise.

No scientific information is available to prove the extent of the toxicity of PCBs, known chemically as polychlorinated biphenyls, but it is generally accepted that they are present in living organisms and that they accumulate in the fatty cells. The trouble in the U.K. started in December, 1969, when the tissues of a number of birds found dead in the Irish Sea were shown to

contain accumulations of PCBs. Bayer is trying to find a substitute for the lower chlorinated PCBs used in closed systems, and the West German Health Ministry is pressing for rapid results.

Two pharmaceutical companies are suing the Commissioners of Customs and Excise for aiding and abetting the alleged infringement of the patent for Furazolidone. A High Court judge was told yesterday.

Mr. Anthony Walton, QC, told Mr. Justice Graham that Norwich Pharmaceutical Company, of New York, and Smith K-Line French Laboratories, of Welwyn Garden City, owners of the patent, had a substantive action against the Crown.

The Commissioners published statistical returns which, the companies claimed, showed that someone was importing Furazolidone, which was an infringement of their patent. The companies asked the Crown for information about the importers but the Crown would not provide the identifying documents.

In the action there was a summons for inspection of documents and the companies were now asking for a date to be fixed for an interlocutory summons to argue the question of discovery in the action. The judge fixed the date, which was agreed, at November 29 for the hearing of the interlocutory summons.

Judgment against Pergamon

Pergamon Press agreed in the High Court yesterday to judgment being entered against them in an action for breach of contract brought by the Institute of Supervisory Management.

Mr. B. Holroyd Pearce, QC, for the Institute, told Mr. Justice Melford Stevenson that it was now agreed by both sides that there should be judgment for the Institute, with costs.

The judge directed that damages in the action should be assessed by the Official Receiver.

LEGAL OFFICERS HERE ON COURSE

Legal officers from 17 developing countries are taking part in a five-months course for Government legal officers from overseas which opened in London yesterday.

The course has been arranged by the Overseas Development Administration, with the assistance of the British Council. It is designed to meet the increasing demand from overseas governments for legal staff in legislative and treaty drafting and international law.

Mr. Raa Smith will continue giving evidence when the hearing begins again to-day.

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All of these securities having been sold, this announcement appears as a matter of record only.

October 5, 1971

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Bayerische Hypotheken- und Wechsel-Bank

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Robert Fleming

Hambros Bank

Kleinwort, Benson

Pierson, Heldring & Pierson

Vereinsbank in Hamburg

I. D. Herstatt KGaA

Westbank AG

HOME CONTRACTS £1.2m. NCB work

W. J. Simms Sons and Cooke has received a £500,000 order from the Home Office for radio link assemblies and VHF main receiver systems. The systems were designed in co-operation with the site, which is at Wrang Farm, Sutton, near, Scarsdale, near Chesterfield, is expected to cost about 420,000 tons of coal. Work should be completed early in 1973.

Birlec is to supply an electric furnace installation costing £100,000 for the British Steel Corporation's works at Stavely.

Hy-Mac has won an order from Tithury Plant for 17 hydraulic excavators costing £170,000.

Peak Park Board lists six main worries

SIX MAIN worries of the Peak Park Planning Board were listed in its evidence yesterday to the Sandford Committee on the future of national parks.

Mineral development in the Peak National Park had been greater than expected and its traffic caused problems on minor roads. Its increasing scale was difficult to reconcile with the landscape, the evidence said. Traffic for quarrying used roads totally unsuited to the size and weight of vehicles and caused complaints from towns and villages.

Water demands created further problems. There were already 55 reservoirs in the Peak district and in the last 18 months 10 further schemes had been considered. The Board believed the time had come to halt random prospecting for new sources of supply on a local basis.

Transportation was a third area of concern. Long-distance traffic should generally go around the National Park rather than through it; and other traffic needed sorting. Increasing recreational pressure was the fourth.

Ensuring a better understanding of the National Park was a fifth area of concern of the Board. Finally, "and most basic," was conservation. It was essential to create conditions in which the unique, natural landscape could prosper.

A spokesman said the evidence stresses the need for a new type of National Park plan which will contain positive management and investment ideas for reconciling recreation and conservation. Greater expenditure was needed—at present nationally 1p per head a year was spent on National Parks. But it was not just a matter of cost; it is a matter of investment.

European
NewsSix plan
protest
to U.S.By Reginald Dale, Common
Market Correspondent

BRUSSELS, October 4. THE EEC Commission is to protest to the U.S. on behalf of the Six against two elements of President Nixon's economic measures that have so far received less publicity than the 10 per cent. import surcharge. The measures concerned are the Job Development Tax credit system and the proposed Domestic and International Sales Corporation Scheme.

Neither of the measures has yet been adopted by Congress, but it is feared in Brussels that Congressional approval for the job development tax credit system may now be imminent. Although it remains the Community's view that the import surcharge is the most harmful of the U.S. measures, it does not want to allow the other measures to slip through Congress unchallenged.

Not only does the Community believe that the two measures in question are counter to the rules of GATT, but it also has grave anxieties about their cumulative effect on trade when added to the impact of the surcharge and exchange rate movements.

Professor Ralf Dahrendorf, Commissioner responsible for external trade, has estimated that the combined effect of the appreciation of Community currencies against the dollar, the surcharge and the job development tax credit scheme could penalise Community goods by at least 25 per cent. on the U.S. market. Particularly hit would be capital goods, which are a major item in Community exports to the U.S.

The Commission took the initiative in organising the new protest at a committee meeting in Brussels last week. Despite initial differences of view among the Six about the strength of the protest's wording, it has now been agreed that the move must be made. Germany, in particular, was originally anxious that the Community protest should not be couched in too tough language.

NATO ministers meet to
plan for troop cut talks

BY REGINALD DALE

BRUSSELS, Oct. 4.

NATO Deputy Foreign Ministers held a special meeting here tomorrow to plan the next step towards the negotiation of balanced force reductions in Europe with the Warsaw Pact States. The Ministers are expected to appoint Signor Manlio Brosio, just retired as secretary-general of the Alliance, to lead an exploratory mission, round East Bloc capitals in the coming weeks.

One of the main tasks of the Ministers at their two-day meeting will be to work out an exact mandate for Signor Brosio's mission. He will on no account be authorised to negotiate on behalf of the Alliance, but the planned timing and itinerary for his visit will have to be worked out, and he has to be given guidance on how far he can disclose details of NATO's position at this stage.

Signor Brosio is expected to report back well in time for the results of his trip to be discussed at the annual Ministerial meeting of the Alliance here in December. As the allies will want to examine his report in advance of the December meeting, Signor Brosio is clearly going to be somewhat pressed for time.

Meanwhile the Allies themselves remain divided over the urgency of the need for the so-called Mutual and Balanced Force Reductions (MBFR), which have long been urged by the U.S. Britain is being noticeably cool towards the whole idea, principally on the grounds that force reduction is likely to weaken the strength of NATO forces more than those of the Warsaw Pact.

Acceleration in cooling
of German economy

BY CHRISTOPHER LORENZ

PRESSURE for an easing of West German credit restrictions is expected to grow following August's report that the economy's cooling off period is continuing.

To some extent the latest order figures suggest that the process is accelerating. The capital goods industry, which experienced a sizable upturn in foreign orders in July, reported a five per cent. fall in August. Both these comparisons are with a year before. Moreover, the July-August, 1971 downturn in the total inflow of orders was considerably above the seasonal average, having been only slightly above it between June and July.

On the other hand orders to industry in August were running only one percentage point behind deliveries, having been two points behind in July. Another contradictory indication was given by orders to the consumer goods industry, which were 11 per cent. higher than a year before, compared with a rise of only six per cent. in July.

In view of the fact that in July foreign orders were coming in more strongly than domestic ones, the Economics Ministry is taking the line that the sudden fall in capital goods orders from

abroad was an immediate reaction to the Nixon speech on August 15, and that it is too early to tell whether the reaction will be sustained.

Industrial production in August was also down more than is usual in that month, but here matters are complicated by the fact that many workers switched their holidays from July to August this year. This is partly a result of company policy.

Speculation that the Bundesbank will cut the discount rate at its meeting next week has been strengthened by a statement from Professor Schiller, the Economics and Finance Minister, that the bank will "definitely do something soon, if necessary." Ten days ago the bank's president, Dr. Karl Klasen, hinted that the time for a cut was no longer far off.

Meanwhile the Cabinet is expected to give final approval shortly to the plans for a minimum-reserve-type requirement for German-based companies borrowing abroad. The plans, which foresee the deposit of the equivalent of up to 50 per cent. of any non-commercial credit raised abroad, were first announced in July. Last week Professor Schiller said in Washington that they would be realised shortly.

DR. RAINER BARZEL was tonight elected chairman of the Christian Democratic Union (CDU), West Germany's major opposition party. His election places him in an excellent position to receive the party's nomination later this year to run against Willy Brandt as Chancellor in the 1973 elections.

Dr. Barzel, 47, is the CDU parliamentary floor leader in the Bundestag (Lower House). He received an overwhelming majority of the votes, defeating Herr Helmut Kohl, 41, the Premier of Rhineland Palatinate State, by 344-174. Unlike Dr. Barzel, Herr Kohl is not a candidate for chancellor. Had he been elected, the leading candidate for Chancellor would have been Dr. Gerhard Schroeder, 60, his chief supporter.

Dr. Barzel replaces ex-Chancellor Kurt Georg Kiesinger as party leader. Dr. Kiesinger since his defeat in 1969 has played a fairly inactive role in the party. Reuters

actively try to disrupt any plans formulated by its allies.

The smaller members of the Alliance, the neutral countries and the East European states are mostly more interested in a European security conference than in MBFR. There is at the same time anxiety among some of the U.S. allies that MBFR may ultimately be negotiated in a bilateral framework between Washington and Moscow on the lines of the formula adopted for SALT—reducing European influence over the outcome of the talks.

Meanwhile, it is being made clear in European Community circles that the Brussels Commission would like to see recognition of the Community by the USSR as one of the elements to emerge from a European security conference. The Commission wants to participate in the conference whenever economic issues are being discussed; the Warsaw Pact countries have always said that economic and commercial problems should be included on the agenda.

One problem, however, is that Moscow may insist on Comecon being represented if Community officials take part, and the Commission does not want to look as if the Community is accepting equivalent status to Comecon at the negotiating table.

Barzel wins
vote for CDU
leadership

SAAERBRUCKEN, Oct. 4.

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Dr. Barzel replaces ex-Chancellor Kurt Georg Kiesinger as party leader. Dr. Kiesinger since his defeat in 1969 has played a fairly inactive role in the party. Reuters

SWITZERLAND

Manpower at a premium

BY JOHN WICKS, ZURICH CORRESPONDENT

THE SWISS economy, probably more than that of any other European country, is feeling the effects of a marked scarcity of manpower. With demand on the country's goods and services running higher than ever, the lack of new labour is a direct cause of capacity bottlenecks and an effective brake on the installation of new capacities, however desirable these may be. With a grand total of 44 "wholly unemployed" persons registered at Swiss labour exchanges at the end of June (out of a total population of just over 6m.), as against nearly 4,000 situations vacant registered with labour exchanges alone, the economy has no labour reserves at all to fall back on.

The main reasons are the Government's restrictions on foreign labour which have cut the flow of manpower into the country—primarily from Italy—since 1963. The number of resident foreigners employed in Switzerland did in fact go on rising until the end of 1968, since only those with one-year residence permits were subject to the restrictions. The total of foreigners with domicile rights stood at 1,003,000 at the end of last year, to only 500,000 by 1973. The Economics Minister, Herr Ernst Brugger, calls the restriction policy "a political necessity." The number of permanently resident foreigners will continue to grow, but the decline in new one-year entry permits may be expected to accelerate.

Nor can Switzerland meet its manpower needs with seasonal workers, who are technically considered non-resident. Last year a national limit of 182,000 foreigners exceeded the grants of new domicile visas, while a further shrinking of the overall total has been experienced

this year thanks to these regulations and a further Federal decree this April. At the end of April, 1971, the number of employed persons with one-year and domicile visas was 1.7 per cent. below that of a year before at 595,495.

The trend will doubtless continue in the foreseeable future, since only 40,000 new foreign workers are allowed entry per year under the new regulations. Even that is a maximum which is not being reached by a long chalk. This means that the natural outflow of foreign employees is very considerably higher than the influx. Further, the Government has made it amply clear that it does not intend to reverse its restrictive policy here.

Seasonal

The authorities are concerned about the chances of a new anti-foreigner referendum, for which the nationalistic and neo-Luddite grouping Aktion gegen die Ueberfremdung von Volk und Heimat is now starting to collect signatures. If successful it would slash the total foreign population of the country, which stood at 1,003,000 at the end of last year, to only 500,000 by 1973.

The Economics Minister, Herr Ernst Brugger, calls the restriction policy "a political necessity." The number of permanently resident foreigners will continue to grow, but the decline in new one-year entry permits may be expected to accelerate.

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the building and catering sectors; there are no signs that this ceiling will be raised, though the tourist industry in particular would like to see this happen. The Aktion's referendum, incidentally, foresees no real reduction in seasonal workers, since it is felt that their presence is too transitory to subvert the basic Swiss values which the Aktion holds so sacred. In time, too, it seems likely that the reservoir of seasonal workers will decline as their countries of origin become more industrialised.

The same consideration applies to workers who commute daily into Switzerland and do not fall under Government restrictions. While the number of French, Italian, German and Austrian workers crossing into Switzerland has kept growing of late, companies are finding it harder to get new labour as the frontier regions of the neighbouring countries offer new jobs. Nevertheless, Swiss pay—recently enhanced by revaluation—is good, and companies like those of the Basle chemical industry manage to fill a large number of jobs with foreign residents.

Native

The foreign-labour restrictions have by no means bothered all branches of Swiss industry. Foreign workers, once in Switzerland, are freer than before to move from job to job, and employers are able to offer better pay and conditions than still find willing foreign staff. But those who can't afford to pay the best rates, are less well off; thus, the clothing industry lost 11.2 per cent. of its foreign employees and the textiles sector as much as 15.6 per cent. over the year ended April, 1970. In-

creasingly, foreign labour is becoming precious enough to be anything but sweated labour.

The labour situation is aggravated considerably by the fact that there is a remarkable shortage of native Swiss labour. The birth and death rates of resident Swiss are both well down, with a resultant reduction in the share of working-age population. In the period 1961-68 the total of working persons rose by an average of 47,000 (36,000 of them foreigners) per year, while for 1968-80 an increase of no more than 13,000 (3,000 of them foreigners) is anticipated. One serious study claims that between 1965 and 2000 there will be an average annual increase in the working population of no more than 0.35 per cent., a rate under one-quarter of that for the period 1950-65; this study was published before the latest Government restrictions, and some observers feel the growth rate will be even smaller. Switzerland, therefore, is faced by an acute and prolonged labour shortage, together with a constant rise in the proportion of persons in the population of non-employable age. So small are the reserves of indigenous labour already that big, sophisticated firms like Landis and Gyr are having to labour to house waves and smallholders by operating "part-time work-shops" giving work to a few people at a time in modest premises situated in rural areas. Swiss industry is trying to make up for lack of labour to some extent by new investments, yet even so, the labour shortage is posing a real problem for the Swiss business world and one which is not easily solved, unless, as Minister Brugger has said bluntly, economic expansion is carried out "with moderation."

Dutch anti-
smog measures

By Our Own Correspondent

THE HAGUE, Oct. 4.

AFTER repeated heavy smogs in the Rotterdam area in the past week the Dutch authorities have decided to prepare emergency measures.

The Prime Minister, Mr. Barend Blesbevel announced after Friday's Cabinet that the head of the newly created Ministry for Public Health and the Environment, Dr. Stuyt, would immediately ask three companies in the Rotterdam area to accept round-the-clock inspections and control by officials on a voluntary basis.

Until these arrangements are completed, the names of the three companies are being withheld. But it is understood that nitrogen oxide effluent is the worst offender.

Japan-Soviet oil talks

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

JAPANESE technology is to be used by the Russians in exploiting the vast oil deposits in the Tyumen area of Western Siberia. The scope for co-operation will be discussed in Tokyo at the end of next month at the fifth meeting of the Japan-Soviet Economic Commission.

Mr. Kiroki Imazato, chairman of the Commission's Oil Subcommittee, said in Tokyo on his return from Moscow yesterday that a joint plan to work the Tyumen deposits had already been worked out. He added, according to Reuters reports, that priority was also being given by the Russians to the joint development of the Japanese oil and natural gas deposits on the Continental shelves around Sakhalin, in the Soviet Far East

and to the north of Japan. Three months ago a consortium of Japanese companies were reported to be putting the finishing touches to a plan for the construction of a \$1,000m. oil pipeline, which would run from the Tyumen fields to the port of Nakhodka in the Sea of Japan. At this point, the crude would be pumped aboard tankers for export to Japan.

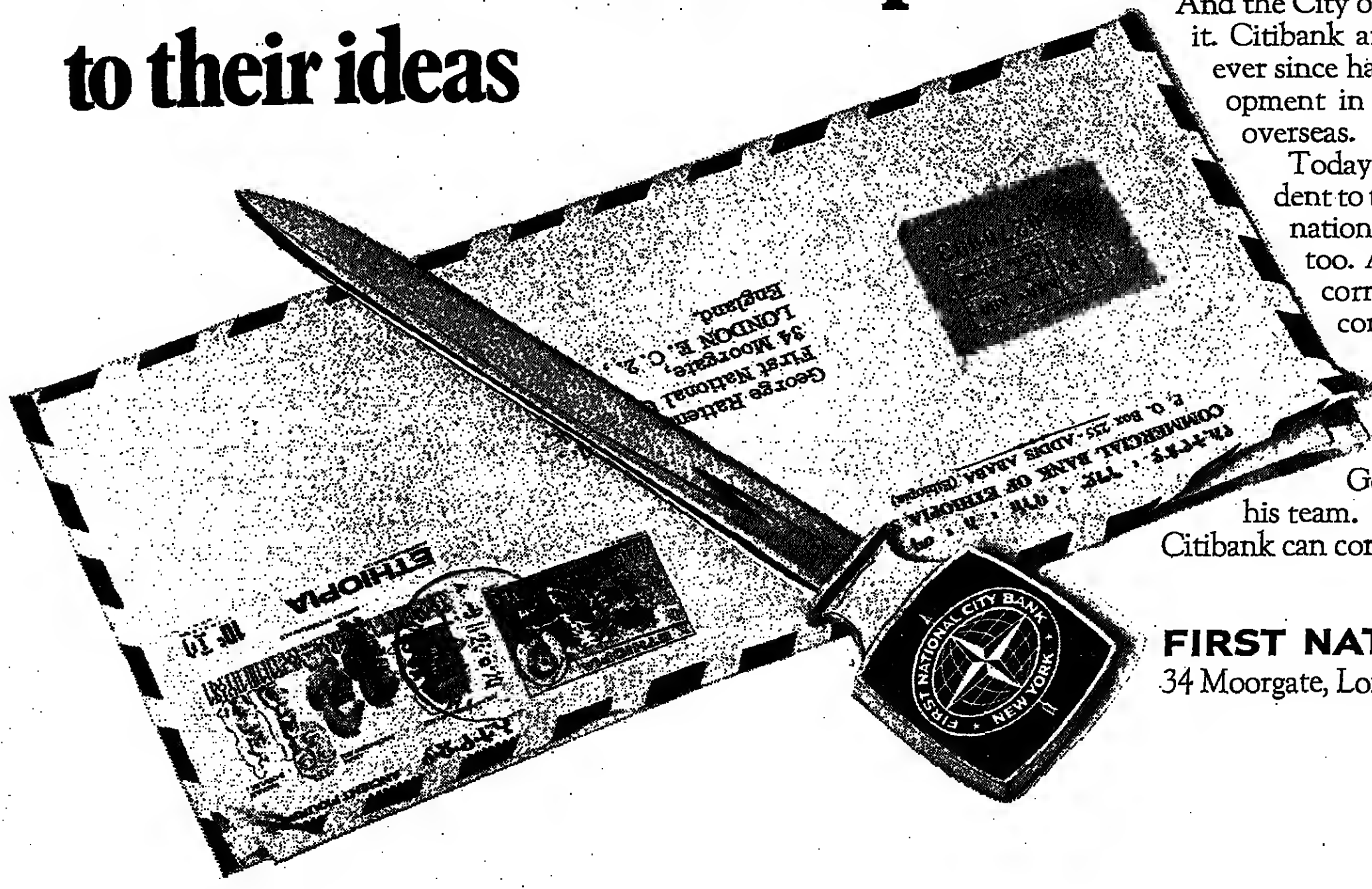
A substantial increase in Japanese-Soviet trade is planned under the terms of a five-year agreement just signed in Tokyo. It is expected that turnover will be in the region of \$150m. a year by 1975, compared with less than two-thirds of that figure last year. Japan last year replaced Britain as the Soviet Union's biggest non-Communist trading partner.

Chinese see
the Concorde

TOULOUSE, Oct. 4.

China's Foreign Trade Minister, Pao Hsiang-Kuo, today praised the Anglo-French Concorde airliner but gave no indication that Peking was about to purchase any. Accompanied by French Transport Minister Jean Chamant, Mr. Pao and the eight members of the visiting Peking Government delegation toured the works of the French Aerospace company, seeing both the Concorde and the European Airbus project under construction.

He made no mention of China's apparent interest in purchasing any of the aircraft nor of the Concorde sales team currently in China to negotiate possible sales with Peking. UPI

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need a bank that corresponds
to their ideas

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LABOUR PARTY CONFERENCE

BRIGHTON, October 4

Dire warnings for the pro-Marketeers

BY PHILIP RAWSTORNE

THE Labour Party's five-to-one vote against the Common Market yesterday was markedly more convincing than its arguments. But at the end, the pro-Marketeers looked a distinctly lonely band—and those MPs who intend to vote for entry left the hall after hearing some dire warnings about the consequences.

"I hope there are consequences," said Mr. Jack Brook, a delegate from Cardiff to the day's loudest cheer. "Because if they go into the lobbies to support the most hard-faced bunch of freebooters since the 'coupon' men of 1918, this party will never forgive them."

Mr. James Callaghan, winding up the debate, judged the party's mood correctly to be that all members should own join hands and accept the verdict. He asked Labour MPs to "take note of where we stand as a party and act accordingly" to get the Tories out of office.

But though there was not much acrimony there were few handshakes either—or two unkind slips, in fact, for Lord George-Brown who had the temerity to deliver the debate with a quotation

from Mr. Callaghan's 1967 pro-Market period.

What Lord George-Brown—"ex-Belper and ex-officio"—and Mr. Michael Barnes (MP for Chislewick) were most worried about was the credibility of a future Labour Government, let alone the last.

"Our credibility has already been gravely damaged by the changes and switches in which we have engaged," said Lord George-Brown.

But though Mr. Barnes insisted that the terms were reasonable, his voice, only one of six in favour of entry to be heard yesterday, was lost amid the repetitive boredom of the anti-Market babble.

In an impoverished debate, it was the deeply felt fears about the effects of entry on the poorer regions—emotionally expressed by Mr. Gordon Oakes the newly-elected MP for Widnes—that carried most conviction on the anti-Market side.

Mr. Denis Healey, who opened the debate, took his stand on a pat of butter and argued that the price of entry was too high. Britain could not survive entry without a devaluation, a tremendous in-

crease in prices, a fall in the standard of living and unemployment on the scale of the 30s, he said. But if the price was too high for Mr. Healey, there were many more who didn't want to join this "capitalist club" on any terms. "If it is in the interests of ICI and British Leyland, it is not in the interests of the British workers"—that quote summed up quite a few speeches.

It was a belief that Mr. Callaghan shared to some extent. "The Common Market is designed more in the interests of capital than of labour," he said. And if the Conservative Government persisted in taking the country into Europe against its wishes, Labour would keep the issue open until a general election settled it.

A future Labour Government would "re-open the principles and re-negotiate the details," Mr. Callaghan warned. Especially the detail of the Common Agricultural Policy. "If everybody else is saying what a Labour Cabinet would have accepted, let me say I know damn well there are many members of a Labour Cabinet who would never have accepted that," he said.

both sides argued with passion, knowledge and sincerity and a "total lack of personal animosity."

He said: "I hope that will be paralleled in today's debate. But the time for decision has now come."

He condemned the Government for seeking to conceal the facts about prices and for so weakening the economy and society that Britain could not hope to progress as a nation either inside or outside the Market.

Britain, he said, would lose £250m. on her balance of payments because of lost Commonwealth preferences and sharing European Free Trade Association preferences.

"If the Community is really a community and if Heath is really concerned about bettering the lot of the British people, he would ensure that our subscription fee was lower than that of the existing members."

Britain was paying an infinitely higher subscription than any other member of the Community, "At the end of the day we are making a present of £200m. to President Pompidou to buy the votes of French farmers."

Mr. Callaghan said the impact which would flow from economic and monetary union would be "so breathtaking that there would inevitably arise a demand for a Federal Europe."

"It is not narrow or reactionary to want to run one's own country," he said, amid cheers. "I don't know why it is thought that bigger is supposed to be better."

And he added: "I want us to throw our weight into the world scales, not to talk as one subdued voice inside a grouping. I want us to speak for the world, for the world trade and the true development of people."

Moving the NEC's resolution rejecting entry on the terms negotiated by the Government, Mr. Denis Healey ("shadow Foreign Secretary") said that a few months ago the Labour Party had held one of the greatest debates in its history in which

debates in its history in which

Financial

"If Heath signs the Treaty of Rome to go in on January 1973, knowing he does not carry the British people with him, then he must expect the issue to remain open and to be argued about."

Europe should know an incoming Labour Government would seek to re-open a number of matters, said Mr. Callaghan. One would be high food prices. Another would be Britain's traditional freedom to purchase food from countries outside the EEC without incurring penalty.

He would also want to re-negotiate Britain's financial contribution.

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"I do not believe that anyone who has looked at these facts can argue that we could survive entry without devaluation and a tremendous increase in prices, a fall in our standard of life and unemployment on a larger scale than we have known in the 1930s."

"I hope that everyone will support the decision to call and campaign for an immediate general election on this issue, so that the Tories can be turned out and the British people will have one more chance."

Mr. Edward Milne (MP for Blyth) said Lord George-Brown was making the same mistakes as other pro-Marketeers when he had said Britain would be joining a social democratic and trade union forces in Europe who were "willing us in."

"We would merely be joining part of Europe," said Mr. Milne. "The social democratic forces in the world at the moment were outside the Common Market. A new Europe could only be built on the basis of the 1948 Labour Party conference decision which

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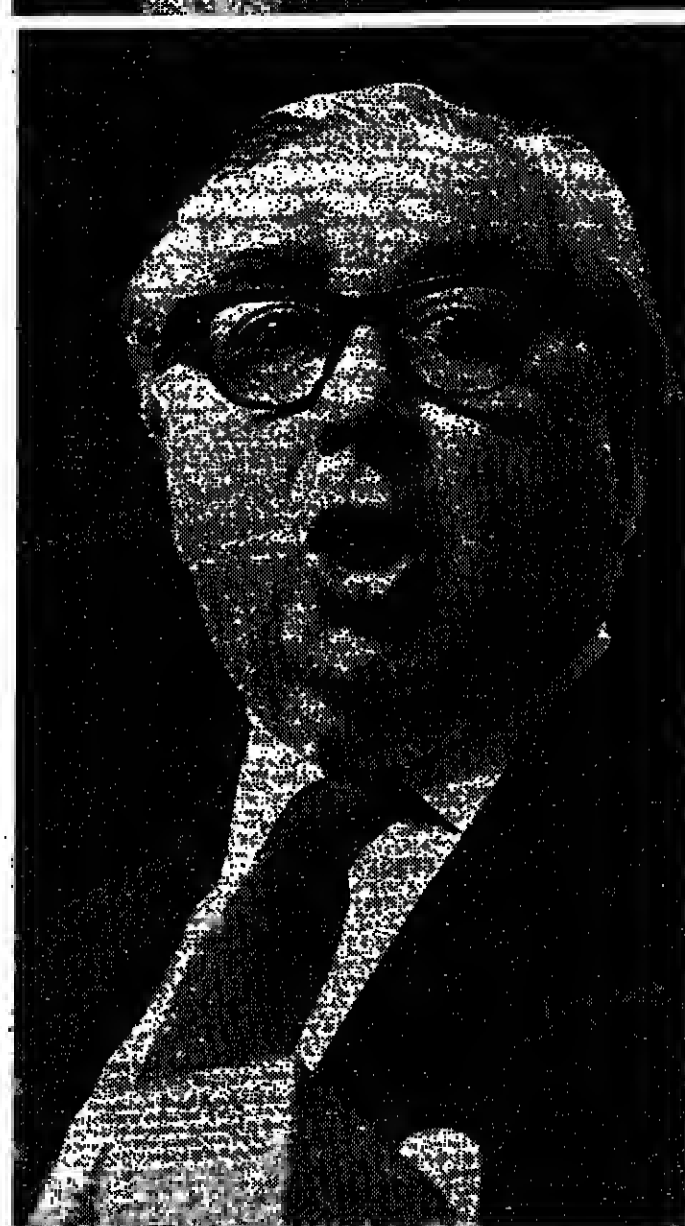
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Mikardo: Party in better form

IN HIS chairman's address, Mr. Ian Mikardo said that the party had emerged from its 1970 setback in better form than expected.

They had had a great debate about entry into the Common Market—and would be continuing that debate at the conference in "the same comradesly spirit that has prevailed so far."

It was essential, he said, for a democratic Socialist Party, which preferred reason to authority and persuasion to compulsion, to bring discussion into the open.

Mr. Mikardo also criticised the abolition of free milk in schools, rising prices and a "virtually unconditional surrender" on the Common Market terms.

Socialists, he urged, must turn their backs completely on the kind of capitalist system served by the Conservative Party and its friends.

"The argument is between those who reluctantly undertake a minimum obligation to the poor and those who believe in the social services as a right to be enjoyed by everyone who needs them."

"You always have to select to some extent between needs, between spending on one thing rather than on another. You do not have to select—as the Tories do—on the basis of private greed and public meanness."

"I am not one of those who believe we can overcome the forces of modern industrialism and of the capitalist system by minor adjustment or accommodation."

The foothills

"That is the reason for our concern with the commanding heights of the economy."

"I do not think we can change the scheme of things or the order of values in a more humane direction by sending out small and unequipped expeditions to capture the foothills of the economy."

ONE OF THE priorities of the next Labour Government would be the abolition of all privileged sectors of education, Miss Joan Lester (for Eton and Stoughton) said during a debate on education.

"You cannot have a comprehensive system while you have privilege which can be bought within the system," she said.

It is a good belief that the public schools system will wither away or that we can develop parts of the State system that it will cease to have relevance.

"The point about the privileged sectors of education is that you are not necessarily buying a better education but you are buying a privileged position in society."

The conference approved a composite resolution urging the next Labour Government to introduce a new equality of opportunity in a comprehensive system

and internal school organisation.

Delegates also approved a motion calling on the National Executive to conduct an inquiry into secondary education throughout the country. It also accepted that any future legislation on education should contain provisions for schools and colleges to have democratically elected councils representing staff and students to advise on curriculum, teaching methods and internal school organisation.

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Top, leading pro-Marketer Roy Jenkins and Denis Healey, who introduced the NEC's anti-Market resolution, listen to the debate. Above, Lord George-Brown, who warned the conference that the party's credibility had been damaged by its changes in EEC policy.

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Cost of entry 'matched by benefits'

MR. ROYDON HARRISON (Sheffield, Hallam) said the resolution left open the possibility that we would go in on different terms. But did not take that possibility up.

"What it takes up is an immediate and direct confrontation with the Tories and the possibility of getting rid of this disastrous Government and substituting a Labour Government."

"They must persuade the people it was not a lost cause or a foregone conclusion, and that they could have a general election and the people's will would prevail."

Mr. Bryan Stanley (deputy general secretary, Post Office Engineering Union) urged the party to campaign for a referendum before a final decision if the Government refused to accept it.

"It is wrong to enter without the consent of the people and it is wrong that Britain should be dragged in against the wishes of the people," he said. "If this is done it will bring Parliament into further disrepute, and even democracy itself."

A motion from Liverpool, Walton, constituency party demanded withdrawal of Britain's Market application. The motion claimed that the entry cost would be paid by the British working class.

Moving the motion Mr. Don Hughes described the Government as the hand maidens of the CBI who had got the best terms it could to suit big industry."

Desires

Mr. Douglas McEwan (Cleckington and East Strickland) said the cost of entry would be matched by the benefits.

"If the NEC really believes that this is not so, it should say so now, that a future Labour Government would take us out of Europe," he said. "But I am sure it will not do this."

Mr. McEwan said there could be little doubt that the terms and conditions accepted by the present Government met the desires of Labour's application in 1967.

Mr. Eric Hammond (Electrical and Plumbing Trades Union) said that in a union referendum 66 per cent of the 100,000 members taking part voted against entry on any terms.

Mr. Gordon Oakes, who won a recent by-election at Widnes, Lancs., mentioned that the

depressed areas of Britain would become even more depressed if Britain entered.

Entry, he said, would interfere with the traditional right of MPs to protect the interests of their constituents. "It would turn the House of Commons into a parish council and so far as we are concerned in this party we have to resist it on both constitutional and economic grounds," he said.

Mr. Bert Hazell (National Union of Agricultural and Allied Workers) said that because of the policy of the EEC there would have to be a high tax on food in Britain and 95 per cent of the revenue of import levies on food would go into the agricultural fund of the Six.

Important

Mr. Michael Barnes (MP for Breckford and Chislewick) said he was not understood Mr. Healey and other members of the executive when they talked about "Tory terms."

"The NEC is making a big political mistake by thinking that we can get short-term political advantage of this issue," he said.

"What is happening in the Common Market is too big and too important for this country to stand aside from it."

Mr. Norman Atkinson (MP for Tottenham) said that the Labour movement was not demanding a general election at any fixed time, but wanted the Market issue put to the people at a general election between now and 1975, the latest time to which the present Government could run.

"The Labour movement owes it to the people to give them the opportunity of saying whether or not they want to join," he said.

Mr. Atkinson said there would be no problem if a general election occurred before January, 1973. If the present Government went the full distance the situation would be not irretrievable.

Mr. Leslie Sillitoe (assistant general secretary, Union of Ceramic and Allied Trades) said his union approved entry because it would give the pottery industry the opportunity to export to Europe without the present crippling tariffs. Without this enlarged market the fears of redundancy and short-time working would persist over the Potteries.

Mrs. Muriel Turner (assistant secretary, Association of Scientific, Technical and Managerial

Staffs) said: "Some of the support for the Labour Committee for Europe seems to come from rich Socialists—why don't they support the party instead?"

Mr. Laurie Fayrer (MP for Wiltshire W.) said the Tory terms qualified for entry into the Guinness Book of Records as the biggest pig in a poke of all time.

It would be a disaster for Britain's National Health Service and would put medicine back in the market place.

Lord George-Brown, the former Labour Foreign Secretary, said parts of the debate had depressed him. He did not think Party conference decision which

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Overseas News

Thieu goes to 91.51% victory

SAIGON, Oct. 4. President Nguyen Van Thieu of South Vietnam has been re-elected for a second four-year term, after winning 91.51 per cent of the votes cast in yesterday's election according to official results today. Mr. Thieu, chief of the election committee, said a total of 7,764,345 valid votes were cast in the one-man election. Of these, 333,148 votes—4.5 per cent of the poll—were invalid. But these would be officially listed as missing in the final results.

President Thieu is expected to announce his acceptance of a new mandate by Wednesday. In Washington, U.S. officials today reiterated their misgivings at South Vietnam's one-man presidential election, but expressed satisfaction at the high turnout of voters. But a State Department spokesman rejected the argument that South Vietnam had proved it could stand on its own feet and no longer needed U.S. troops.

But in Paris, the Viet Cong delegation to the Paris peace talks denounced the one-man election as "an unprecedented fraud," which had taken place under the threat of bayonets. Reuter

IN BRIEF
SOVIET President Nikolai Podgorniy, in North Vietnam at the head of an 18-member delegation, has pledged to maintain aid to Hanoi—but indicated such aid in the future will be largely economic rather than military.

SOVIET Prime Minister Alexei Kosygin has begun a four-day official visit to Algeria.

UGANDA has suspended foreign currency dealings with Tanzania following Kenya's decision to do so last week. The suspensions follow Tanzania's decision to peg its shilling to the United States dollar while Uganda and Kenyan shillings are pegged to sterling.

NEW DELHI—Elections to legislative assemblies in 10 Indian states, covering nearly three-quarters of the country, will be held simultaneously either in late February or early March next year. West Bengal is not included in the 10. It is presumably not expected that conditions will have sufficiently returned to normal in this state or elections to be held in five or six months time.

TOKYO—The Ministry of International Trade and Industry said Japan's crude steel production in the current financial year was likely to dip below 90m. tons compared with 92,410,000 tons in 1976. Production for the year was originally estimated at 85,000,000 tons.

BEIRUT—The Popular Front for the Liberation of Palestine confirmed that three commandos ranged yesterday by the Jordanian authorities were among its members and claimed he execution was part of a campaign to liquidate "progressive forces in certain Arab countries."

India rallies Third World for attack on U.S. moves

BY KEVIN RAFFERTY

INDIA today takes the first step in a campaign to co-ordinate opposition from the Third World for a joint attack on the recent U.S. 10 per cent import surcharge and aid cut. To-day Asian countries in the Group of 77, the caucus for the developing world, met in Bangkok for preliminary discussions before the Third UNCTAD meeting in Santiago in April.

The Indian campaign will then be carried forward to the meeting of the whole Group of 77 at Lima later this month. India has two grounds for its hostility to the Nixon measures: it and other Third World countries feel they have done least to upset the U.S. balance of payments, but will suffer most by the protective measures yet all the publicity has been reserved for the rich countries that have caused President Nixon's difficulties—but will suffer least.

Mr. L. N. Mishra, Indian Minister of Foreign Trade who will lead his country's delegations to the meetings, declined to spell out the action that India would recommend. "That would not be fair to the other developing countries," he said. "We don't want to draft a plan and it on others," he told me.

"Practically no attention has been paid to how the developing countries will be affected—there are more countries in the world than the Group of Ten. I am not saying this just on behalf of India; we will absorb the shock as we have absorbed others, though the measures have come at a most unfortunate time just when our economy had started picking up. But what about the other developing countries? There are many countries in the world which will not be able to stand the shock. What about Afghanistan or Nepal, or even Pakistan or our own neighbours?"

As far as India itself, the biggest of the developing coun-

tries, is concerned the import surcharge alone will affect about 21 per cent of exports to the U.S. valued at about Rs200m. (more than £23m), mainly goods like leather, footwear, engineering products, chemicals, carpets, ferro-manganese goods. These are non-traditional products which India has been trying to develop. Most of them have a high elasticity of substitution, so Indian producers will not be able to pass on the surcharge in higher prices.

For the past 15 years India has had an adverse trade balance with the U.S., her highest trading partner. Almost a third of India's total imports come from the U.S. and approaching 20 per cent of its exports. Exports, last year, worth Rs239.6m. to the U.S. have traditionally paid for only 35 per cent of imports from the U.S.

India has been particularly worried by reports of conflicts between Asian and Latin American members of the Group of 77 over preference schemes.

hostile to Zambia materials including firearms, and the training of Zambia nationalists." Legal aid for the detainees is now being sought.

At the same time the government is dealing with problems posed by thousands of Lumpas who have returned abruptly from Congo exile following last week's shooting incident while the group was due to be moved further inland in the Congo. Sect members have been promised assistance to settle in their homeland, and at present are accommodated in a temporary transit camp at Mufunda.

Meanwhile Congolese and Zambian authorities are still issuing contradictory versions of the shooting. Each is accusing the other of causing a battle at Mokambo border which is still being patrolled by Zambia security forces.

Reuter reports from Abidjan: The Ivory Coast and friendly countries favouring dialogue with South Africa are preparing to send a delegation to Pretoria. President Felix Houphouët-Boigny said in a published interview.

UNIP seeks one-party state

BY OUR OWN CORRESPONDENT

THE National Council of the ruling United National Independence Party has passed a resolution calling for one-party democracy as its objective. This like other resolutions which emerged from the three-day conference, was mildly worded in spite of the extended session.

UNIP has apparently decided to put its own house in order and organise hard at grass root level

to meet the challenge posed by the new United Progressive Party.

The UPP detainees rounded up some two weeks ago have now been given blanket charges under which they are all held. These are mainly allegations of conspiracy that "in furthering the aims of UPP they knowingly or unknowingly assisted in obtaining from a government

majority rule irrespective of colour. He admitted that Lesotho could not avoid the indictment that the country had made a false start. Western democracy was misused to Lesotho and incompatible with the country's traditions.

Reuter reports from Abidjan: The Ivory Coast and friendly countries favouring dialogue with South Africa are preparing to send a delegation to Pretoria. President Felix Houphouët-Boigny said in a published interview.

Lesotho PM wants talks

BY OUR OWN CORRESPONDENT

LESOTHO'S Prime Minister, Chief Leabua Jonathan, has added his voice to those of General Amin and President Houphouët-Boigny in calling for an independence day rally in Maseru to-day that advocates of a policy of isolation and confrontation show no concern for the 20m. Africans in Southern Africa.

"If we are to hold any hope for the future, we must engage in dialogue now," he said, adding that peace would only be maintained in an atmosphere of equality and the acceptance of

JOHANNESBURG, Oct. 4.

Reuter reports from Abidjan: The Ivory Coast and friendly countries favouring dialogue with South Africa are preparing to send a delegation to Pretoria. President Felix Houphouët-Boigny said in a published interview.

Arab heads to discuss relations with Moscow

BY OUR OWN CORRESPONDENT

SYRIAN President Hafez Assad and President Muammer Khedafi of Libya arrived in Cairo today for the first meeting of the Presidential council of the Confederation of Arab Republics.

The two presidents and President Sadat of Egypt are expected to get down to serious political and military discussions, tomorrow. Apart from deciding on the Confederation budget and institutions, they are likely to concentrate on three main topics: President Sadat's visit to Moscow starting on Sunday, military co-operation and the festering conflict between the Jordanian Government and the Palestine resistance.

The deterioration in Moscow's relations with the Sudan, scheduled to join the Confederation next year, after the pro-Com-

muist July coup and subsequent executions of Communist leaders in Khartoum has been reflected in a certain nervousness between Soviet leaders and Arabs.

The fervently anti-Communist President Khedafi is understood to have been urging his co-presidents to keep Communist influence at arms length. This scarcely accords with Egypt's dependence on the Soviet Union for heavy military and economic aid in the confrontation with Israel.

UPI reports from Cairo: President Anwar Adat was elected chairman of the Confederation of Arab Republics which include Egypt, Syria and Libya, Cairo Radio said. The President of the three countries earlier took a constitutional oath that formally brought the Confederation into being.

GOA

Iron ore provides the spur

BY STEWART DALBY, RECENTLY IN GOA

TEN YEARS have passed since India's army marched into Goa, and snatched it back from Portugal's arthritic grasp. To-day most people have forgotten about Goa; those who have not probably think of it as a romantic, rundown backwater of crumbling colonial mansions and Hindu temples half-hidden behind lush tropical foliage. A place of palm trees and beaches, but about as vital to the working of present-day India as a hub-cap is to a motor car.

Strange then to realise that this small enclave on India's west coast, the size of half a district in neighbouring Maharashtra, accounts for just under a half by volume and something like a third by value of India's third largest export, iron ore.

For the Goans, it was mining which finally ended the stagnation which had embalmated the colony for decades. Goa had previously existed almost entirely on the remittances of Goans working abroad, in East Africa, as stewards on ships and in India. The Portuguese, after 450 years of tenure, had lost their zeal for active colonising and were happy to let local businessmen promote mining. Japan was quickly interested, and put up money for mechanisation; the industry soon became the backbone of the economy, which it remains today accounting for 12 per cent of gross domestic product and, together with related industries, employs 25 per cent of the working population.

Under private contracts—Goa is the only one of the states which does not work through a Government agency—Japan takes some 80 per cent of the total exports. When in 1954 India blockaded Goa, she neglected to blockade the shipping, it turned out to be just the tonic the territory needed. Ships coming back empty started to return loaded down with luxury goods (particularly liquor), most of which were smuggled into prohibition India. Goa was a free port and there were no taxes: life for some of the MGP Mr. Bandekar, a local fisherman, is happy to go small ancillary industries which would suit its specialised labour force. Incentives are being offered and it remains to be seen whether they will do the trick.

At this stage the Indians people.

entered more fully into the picture making Goa a union territory. They were closely followed by the local political parties making their rather clumsy debut in Goan history. Few observers at the time seriously doubted that the National Congress Party would form the first Government. An affiliate of India's Congress Party, it was the only political group existing at the time of the "liberation" having been formed clandestinely during Portuguese times. Its leader, Mr. Pursbotam Kakodkar was in the true Nehru tradition of freedom fighters and had been imprisoned by the Portuguese.

Referendum

For his pains, when the first elections came round in 1963 after a period of military rule, his party won not a single seat. Instead the Maharashtra Gomantak Party (MGP), one of the many political groups which sprang up like the dew when an election loomed into sight, gained a majority on a platform of merger with neighbouring Maharashtra state. The premier, Christian party, the United Goans, formed the opposition.

If this sounds perverse, it was nothing compared with what followed. In January 1967 a referendum was held, the first ever in India, to see whether the Goans wanted to merge with Maharashtra. The answer was a resounding no. Two months later the MGP, with the ground seemingly cut from under its feet, was re-elected and there it remains.

Of course it is asking a great deal of any people who have spent their lives under a derelict Government to learn the ways of administration overnight. Indeed there is apprehension about being governed by an indigenous administration for the first time, even with Delhi's guiding hand in the background. The leader of the MGP Mr. Bandekar, a local fisherman, is happy to go small ancillary industries which would suit its specialised labour force. Incentives are being offered and it remains to be seen whether they will do the trick.

According to the latest income accounts (for 1966-69) Goans have a per capita income of Rs.715 compared with an average for India of Rs.550. In both scenery, and historical interest. Some Goans might shudder at the thought of Goa's natural charms being swamped by tourists, but the Government enthruses about the prospects. There are 78 hotels listed in official publications, but only four of them would get star ratings. There are few entertainments, one flight, one train and one ship a day. But once there are plans. For the moment the hippies have things very much to themselves, flocking to Calangute beach in their thousands around December.

In the past three or four years things have started to move. There are 13 large-scale projects, either working or in the pipeline related to mining, include a brewery, two textile plants and a fertiliser plant. Most of these are private enterprises and the fertiliser plant represents virtually for the first time—side capital. There are also well over 400 small-scale projects.

Progress in agriculture has also been made but probably not as fast as it should have been. Foodgrain output has more than doubled to 105m. tonnes over the past 10 years. Money has been spent on fertilizers and small-scale irrigation, but the territory is still 30 per cent deficient in foodgrains and some arable land is still not being used. It is only recently that the go-ahead has been given for the first large scale irrigation plant, which will encompass 35,000 acres. As the leader of the opposition United Goans Party, Dr. Jack de Sequeira puts it: "It rains cats and dogs here, but you never see any water once it stops. There is hardly any double cropping."

Similarly with fisheries, the Government has two large trawlers and six smaller boats. The need is probably for a fleet of 30 to 25 boats for deep-sea fishing. Again there are plans to supply co-operatives with eight boats, and increase the cold-storage facilities. Meanwhile fisheries contribute a minuscule 2 per cent to GDP. The reasoning here is that a change in psychology is necessary. The local fishermen are happy to go small ancillary industries which would suit its specialised labour force. Incentives are being offered and it remains to be seen whether they will do the trick.

Industry

All this would not be so worrying if it were not for the fact that the investment in education is now throwing up a pool of matriculates and graduates needing work. There is little unemployment although there is considerable rural underemployment. But like many Indian States, Goa suffers from bureaucratic sprawl. The Government soaks up most of the eligible labour coming on to the market, and spends the greater part of its budget paying wages and salaries of its employees.

The need is for industry so that productive jobs can be created. There is always mining, and the central Government recently started a Rs.28m scheme to expand Marmugao port—already India's second largest in tonnage handled—to ensure that iron-ore exporters do not lose their competitive edge to Australia, which can load up of 30 to 25 boats for deep-sea fishing. Again there are plans to supply co-operatives with eight boats, and increase the cold-storage facilities. Meanwhile fisheries contribute a minuscule 2 per cent to GDP. The reasoning here is that a change in psychology is necessary. The local fishermen are happy to go small ancillary industries which would suit its specialised labour force. Incentives are being offered and it remains to be seen whether they will do the trick.

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Full details from the Chief Estates Officer, Livingston Development Corporation, Livingston, West Lothian. Tel: Livingston 31177.

Livingston: The Pacemaker



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHÖETERS

TRANSPORT

Services to heavies

COMPLETE tractor-trailer outfits are to be offered on rental to the transport industry under an agreement recently concluded between Codfrey Davis and transport Charter, the York Trailer Company's trailer rental subsidiary.

Operation will be on a reciprocal basis so that anyone will be able to obtain an outfit from one source instead of having to arrange pickup from a different source and a combined tariff has been introduced. Both companies still will continue to hire out individual tractor and trailer units.

Vehicles from 6 cwt to 28 tons are available from main branches in 14 industrial centres and through 100 area offices. The centres include one just opened by Godfrey Davis to serve the Avonmouth industrial complex. It is known as the South West Regional Centre and has been set up in collaboration with York Trailer Company.

Transport Engineering Services—a division of Tate and Lyle Transport—has opened a commercial vehicle maintenance

can absorb an energy of some 600 ton metres, whereas types commonly in use at the moment are in the 50-ton metre region.

Seventeen of the Jumbos are to be installed early next year in a new jetty now under construction at Wilhelmshaven in which the first ships will berth in the Spring.

AGRICULTURE

Foam cover for soil fumigants

USE of a foam cover, instead of plastic film, to keep fumigants in the soil, is said to save work and have desirable side effects.

Fumigants, being volatile or gaseous, have to be applied under the film layer, at a cost of up to \$500 per acre. The foam costs only \$75 per acre and is easier to apply.

The method was worked out at Louisiana State University, Baton Rouge, La., U.S., where methyl bromide was added to the foam, which was spread in a 4-inch layer. In addition to easier application, other advantages are that the foam method, being more efficient, requires less chemical and being free of holes, reduces the chance of outside pollution.

The foam lasts about three hours. During this time it traps any heat from the sun and soil temperatures can rise as high as 125 degrees F. This is enough to kill young weeds as well as nematodes near the surface, the University says.

PRODUCTS

Filter for viruses

BIOLOGICAL filters of a new design are capable of a minimum particle retention of 99.99 per cent. (Sodium Flame Test 12cm) and has been designed to filter from air passing through it bacterial or virus infections which are carried on dust particles and in water droplets.

Available at an indicated price half that of traditional virus type elements the filter—a disposal spin-on unit—can be fitted in seconds by unskilled labour.

In the course of development all filters—which, to cope with any sudden air surges, can withstand a pressure drop of up to 40 p.s.i.—have undergone stringent and exhaustive testing both in the laboratories and at the Government research station at Porton.

The company—Jones Filtration—is at Marylands Avenue, Hemel Hempstead, Herts.

POLLUTION

Slurps the oil off the water

WHERE an oil spillage has occurred on water it is better to remove the pollutant than to attempt to neutralise it by chemical or other means. Removal devices developed so far have usually been unsatisfactory, for example much water is removed with the oil, resulting in storage and disposal problems, while some devices are affected by swell and small waves and cease to operate. Most require expert handling, are bulky and not readily portable, and those giving a high percentage of oil in the recovered liquid are often expensive and difficult to use.

Esso scientists claim to have developed a new type of skimmer for clearing oil spills on inland and sheltered waters which is stated to overcome these disadvantages.

Called SLURP (self levelling unit for removing pollution), it floats using a self-contained buoyancy tank. The liquid flows into it over a specially shaped well and passes through a flexible suction hose to a self priming pump or to a gully emptier on the river bank. The level of the weir in relation to the surface of the water may be controlled by adjusting the pumping rate.

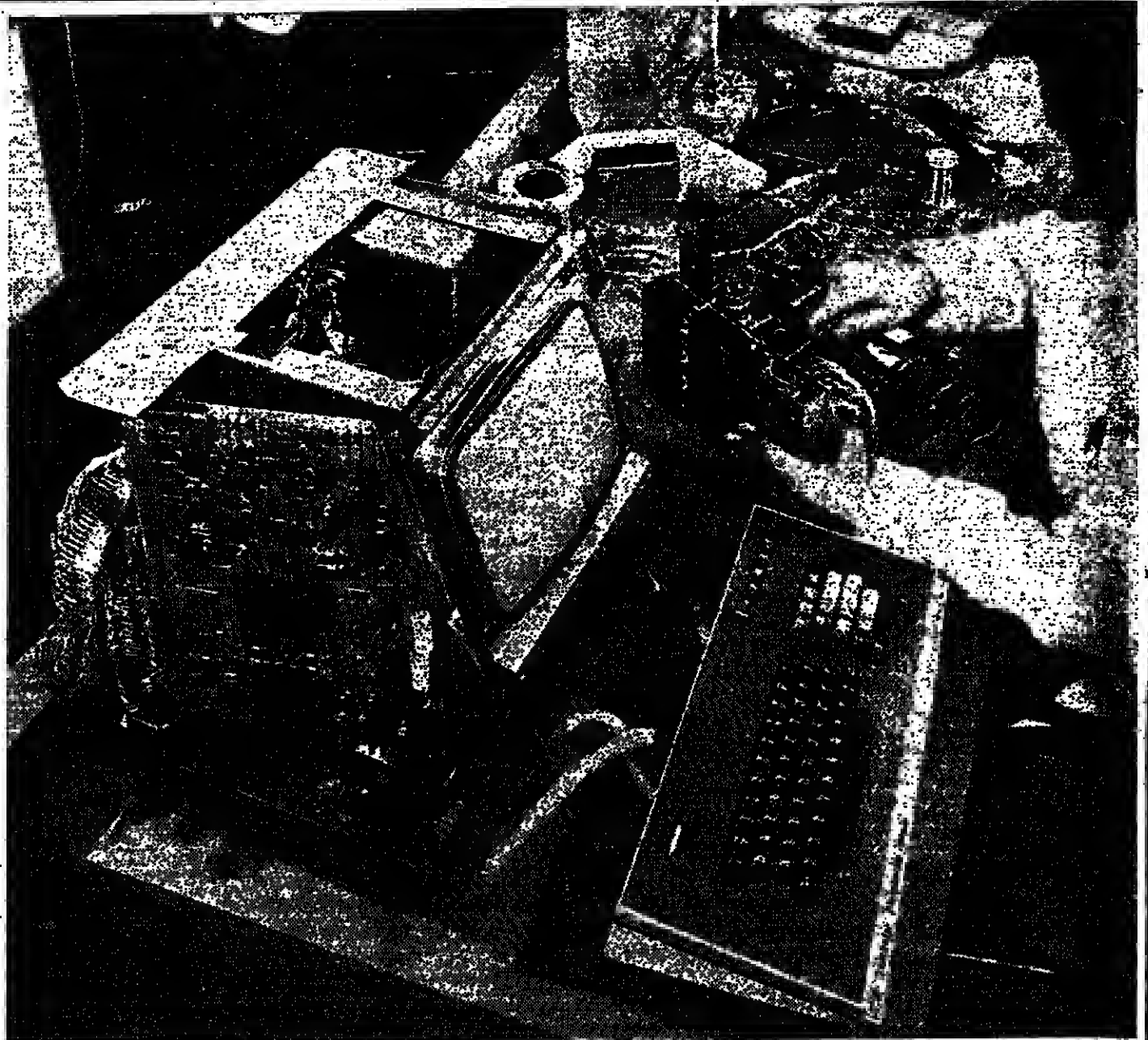
The unit is self-stabilising. It automatically adjusts to compensate for choppy water and continues to work. As it has no moving parts it does not require adjustment and there are no maintenance problems.

The SLURP works best in calm water and thick oil slicks. At slow pumping rates it will collect oil with no water. As the pumping rate is increased the weir immersion increases until a point is reached at which water starts to flow over the weir with the oil. The deeper the slick the faster the pumping rate before this point is reached.

Test results have shown that a SLURP with a 3 feet width weir can recover 100 per cent. oil on a 6 mm depth slick at up to 300 g.p.h. The pumping limit for maximum efficiency increases with increasing depth, for example 560 g.p.h. at 18 mm. and 670 g.p.h. at 20 mm.

The unit is of robust construction and compact design. It can be carried by one man and will fit into a car boot, together with a pump and hose.

The device can be used in refinery separators and for servicing interceptor tanks. Development work is continuing, but it is not possible to say whether a larger model for work at sea can be developed. The SLURP is being manufactured and marketed by Ambler Engineering, Walsall, Staffs.



MATERIALS

Fireproofs steelwork

MACHINE spraying techniques were used by Structural Fireproofers to apply Mandoseal, a vermiculite/cement inorganic fire resistant material to give a two-hour fire rating to structural steelwork constructed as part of a re-building programme of high grade fuel production plants damaged in a fire at the Shell Refinery at Teesside.

The structural steel columns and beams were between 30 and 80 feet high and in sizes from 6 x 5 inches to 18 x 7 1/2 inches. The Mandoseal was spray-applied by a high output mortar pump or previously fixed reinforcement. The required thickness of the coating to give the two hours fire protection was guaranteed by means of a patented corner reinforcement detail. The coating was trowel finished to give a smooth appearance with accurate sight lines and a surface capable of taking a decorative finish. The finished work is completely weatherproof, a necessary requirement due to the very exposed nature of the site on the bank of the River Tees.

Besides the obvious advantages of faster application, important features of the new spraying techniques are that they allow the material to be placed in even passes with very little overspraying, and no rebound.

Mandoseal is manufactured by Mandoval (a member of the RTZ Group), of 6, St. James's Square, London, S.W.1, and has been tested for fire protection of steel structures at the Fire Research Station. It complies with BS 476 Part 1, 1963 as approved by Report No. FROSI 6028 issued by the Joint Fire Research Organisation, Borehamwood, Herts.

Thicker rubber paint

CHLORINATED rubber paint which can achieve a film thickness at one spray application of 15 mils (0.38 mm.), or three times the thickness obtainable with conventional chlorinated rubber paints, is being introduced by the industrial division of Hadfield's (Merton).

With total painting costs to day at 10 to 20 times those of the cost of the paint themselves, any factor that speeds application, such as a reduction in the number of coats needed for any

named film thickness, is likely to result in substantial savings. The increase in film thickness of Hadfield's new product is achieved by modification with a thixotropic agent and a change in the extender binder ratio.

The paint, applied by an airless spray, is like other chlorinated rubber paints in that it is suitable for protecting metals in corrosive atmospheres and is fire-retardant.

But because of its thick film build without sagging, it is thought likely to replace other chlorinated rubber paints for chemical and petroleum plant, pipelines, road and rail tankers, bridges and ship hulls.

The paint, available in several colours, was developed at the laboratories of Hadfield's (Merton), part of the Besthehl Group, at Western Road, Mitcham, Surrey.

METALWORKING

Detects the small crack

CRACKS with depths down to 0.002 inch in ferrous and non-ferrous metals can be indicated qualitatively and subject to some restrictions, quantitatively, with a defectometer now being offered by Wells-Krautkramer, of Blackhorse Road, Letchworth, Herts.

Known as the 2.164, it provides a direct indication of crack depth on a meter and a red signal lamp will light when a predetermined crack depth has been exceeded. Cracks can be masked by thin layers of other materials without affecting the readings. The voltage corresponding to the defect can be fed to a standard recorder from an output socket at the side of the recorder.

The test probe of the defectometer carries a high frequency AC. Depending on their magnitude, the eddy currents produced in the material under test influence the electrical characteris-

tics of the coil. Hence the variation produced by a crack can be a measure of its depth.

A variety of probes is available for detecting cracks in boreholes, turbine blades, and aircraft wheel rims, and special probes can be supplied for particular problems.

CONSTRUCTION

Shifting sludge

A CONTRACT worth £180,267 has been awarded to Mears Construction for the construction of pipelines, holding tanks and loading facilities, for conveying sewage sludge away from Gattewater Sewage Works at Warrington, Lancs.

Warrington County Borough intends to convey the sludge by pipeline some 1 1/2 miles to the Manchester Ship Canal. Specially designed boats will then carry the sludge about 20 miles out to sea where it will be deposited.

Since EMI's range of SE video terminals was launched less than a year ago, it has shown that high-performance need not be too expensive. So far, sales have topped the £750,000 mark, and the company is confident that the firm level will be easily exceeded before the end of 1971. Significantly the terminals, one of which is seen in the photograph at an advanced stage of assembly, have been bought by the Home Office for the national police computer network. This order was worth about £250,000, one of the largest on record for this type of application. In addition, machines have been exported to Poland for computer development work and to Hungary for use at the Institute of Physics in Budapest.

OFFICE EQUIPMENT

Copies from two hundred originals

A FULLY automatic dry photocopy that will produce one of more copies from up to 200 originals has been introduced by the 3M Company of Wigmora Street, London, W1A 1ET.

Known as the 271, it uses light exposure and heat development and has no chemicals, inks or powders. Copies can be produced from most originals on document weight paper up to 8 1/2 x 14 inches. Copying is simply carried out by loading the feed tray with originals, dialling the number of copies required—from one to 25—and pushing a start button. The machine can then be left to operate by itself.

An automatic feed system can be provided.

Copier for big users

LAUNCHED at the Business Efficiency Exhibition this week, the SCM 255 electrostatic copier

takes the company, for the first time, into the high volume section of the electrostatic copying market.

This is the area accounting for over 50 per cent. of the revenue of the total U.K. electrostatic market of around £50m. per annum. It takes SCM into close conflict with Rank Xerox who dominate the high output market with total copying requirements of 4,000 to 50,000 per month.

SCM is offering a machine which provides copies at up to 15 per cent. lower cost substantially lower maintenance requirements, simpler installation, and greater copying versatility the company insists. It is designed for the large user with total copying requirements of 4,000 to 50,000 per month.

Copies are made on coated paper, permitting a high quality of reproduction from a wide variety of originals—such as photographs, drawings, half-tone illustrations, NCR forms, etc.

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Channel traffic watch system inaugurated

BY JAMES McDONALD, SHIPPING CORRESPONDENT

MR. ANTHONY GRANT, Parliamentary Under-Secretary of State for Trade, yesterday inaugurated the surveillance system for the Dover Strait Traffic Separation Scheme. He was speaking at St. Margaret's Bay, Kent, where a coastguard radar has been installed to oversee the systems.

With a helicopter "traffic warden" the two systems are aimed at identifying ships that travel the "wrong way" in the English Channel. It is hoped that the scheme, agreed by the International Maritime Consultative Organisation (IMCO—a branch of the UN) will prevent accidents in the Channel traffic lanes.

More than 300 ships a day pass through the Straits of Dover and about 5 per cent of these travel in the wrong direction in the lanes. More than 70 ferry crossings a day between England and the Continent are an added hazard.

The radar installation will keep a constant watch on all traffic and will call out a Coastguard helicopter based at Manston to identify ships going the wrong way. They will then be reported to their "flag" states for discipline.

The U.K. Coastguard will broadcast warnings to other ships so that they can take avoiding action in the event of a possible collision or congestion.

Mr. Grant said his department was preparing laws which would make the traffic direction system mandatory for British ships.

Various countries were taking similar measures. He stressed that the system was designed to assist mariners rather than to police them. "We therefore must take care that measures designed for the Dover Strait do not invite retaliation on our ships in other parts of the world."

French action

"It is for this reason that we have always placed great importance on international agreement for the control of international waterways and on co-operation in the enforcement of traffic separation with other countries and, in particular in this case, with the French Government."

Mr. Grant said he understood the French Government would also be taking action to identify ships going the wrong way on its side of the Channel.

There would be some time for settling in of the new radar set, said Mr. Grant. "This will in fact fit in very nicely with our time scale for making regulations to apply to British ships so that it will be an offence for those ships to go against the prescribed direction of traffic flow."

Yesterday's inauguration of the British radar system comes a day in advance of the 7th assembly of IMCO which will open in London to-day and which is expected to continue until October 15.

The agenda of the assembly includes the IMCO work programme for 1972-73, involving a

conference on marine pollution in 1973 which have among its objects total prohibition of discharge of persistent oils into the sea.

Also, the assembly will be asked to approve amendments to the International Convention for the Safety of Life at Sea, including provisions which would render mandatory the observance of the various traffic routing schemes recommended by IMCO.

In addition, among the amendments to the International Convention for the Prevention of Pollution of the Sea by Oil are provisions for the arrangements of tanks and the limitation in tank size for large tankers.

Freight rates to Canada going up 12½%

By James McDonald, Shipping Correspondent

SHIPPING lines in the Canadian North Atlantic Westbound Freight Conference have announced that, since the introduction of the "three-tier tariff" in March, operating costs have continued to rise at an "alarming rate."

As a result, from January 1 they are raising freights on cargo from the U.K. and Eire to Canadian Maritime, St. Lawrence River and Great Lakes ports by 12½ per cent. Some low-rated commodities will be subject to a greater increase.

More spirits drunk: big rise in rum

BY KENNETH GOODING

CONSUMPTION of all types of spirits in the U.K. continued to climb in July, according to statistics released to-day by the Customs and Excise. Once again rum showed the largest percentage increase, while the lowest was by Scotch whisky.

Withdrawals of Scotch from bond in July were 2.6 per cent, up on those for the same month last year at 783,000 proof gallons reflecting a reaction from the boom situation in June when they rose by 28.2 per cent over June, 1970.

For the first seven months of 1971, Scotch withdrawals from bond were 4,707,000 gallons, about 3.6 per cent ahead of the January-July figures last year.

Rum continued to be the leading imported spirit. Boosted by the popularity among young people of white rum, July tax payments were 18 per cent, up on 146,000 gallons, giving a seven-month total of 868,000 gallons, a 17 per cent increase on the same period a year ago.

Brandy again lagged behind rum, with clearances in July at 128,000 gallons, up 9.6 per cent, while the January-July figure was 781,000 gallons, up 21 per cent.

Immature spirits, mainly gin and vodka, rose in July by 18.6 per cent, over July, 1970, to 388,000 gallons, making a seven-month total of 2,058,000 gallons, 11.2 per cent ahead of last year's period.

On the production side, Scotch recovered from the apparent recession in June when produc-

Sandeman to sell whisky warehouse

By Kenneth Gooding

GEO. G. SANDEMAN and Sons, best known for its port and sherry, yesterday confirmed it is closing down its whisky production operations.

It said its Sandeman and Sons subsidiary in Edinburgh had "ceased to be profitable and, owing to the extremely competitive nature of the whisky market, there seems little chance of reversing this trend."

The Sandeman bonded warehouse and most bonded whisky stocks will be sold and its Scottish selling organisation will be disbanded at the end of the year. But arrangements are being made for the continued blending and sale of Sandeman Scotch in both home and export markets.

Sandeman products will in future be marketed in Scotland by J. R. Phillips, the company jointly owned by Sandeman, Allard Breweries and Whitbread.

New Jensen SP aimed at sports car market

BY JAMES ENSOR

JENSEN HAS introduced a sportier, more powerful version of the Interceptor. The Jensen SP is powered by a version of the Chrysler 7.2-litre V8-engine with three twin barrel carburetors. It is distinguishable from the Interceptor by a vinyl covered roof and a bonnet with fluted air vents cut into the top surface.

The car has a very full specification, including air conditioning and an eight-track stereo radio and tape player as standard. It also has wider section aluminium alloy wheels and ventilated disc brakes which are also fitted to the latest Mark III versions of the Interceptor and FF.

The SP is clearly aimed at the Aston Martin and Ferrari market which Jensen has never previously attacked so directly. With 25 per cent more power than the Interceptor, it should have a performance comparable to that of the Aston Martin DRS. It does, therefore, mark a shift from the grand touring towards the sports car image for Jensen.

Losing money

Because its engine does not meet the approaching American exhaust pollution standards, production of the Jensen SP will initially be directed towards the British market. About three cars are likely to be built each week and the price is \$56,977.

Thanks to its entry to the American market, where cars are sold by Mr. Kjell Qvale—Jensen's principal shareholder—the company is now operating profitably. Mr. Alfred Vickers, the managing director, said the company

would now earn profit at the rate of £20,000 a month. One third of the production of 18 cars a week is exported to the U.S.

A year ago, when Mr. Vickers became managing director, the company was selling ten cars a week and, he disclosed, was losing money at the rate of £30,000 a month. The improvement in financial performance has been due to higher sales made possible by Jensen's entry into the U.S. market, and by one-third improvement in productivity resulting from investment in new equipment and new methods.

In April, Jensen will launch a

2-litre sports car designed by Donald Healey. Production will reach 10,000 cars a year with about two-thirds destined for the U.S.

Despite difficulties in finding the right engine for the Jensen Healey and in meeting the proposed American exhaust emission standards, Mr. Vickers announced that the project was on time. If the company meets its production target, Jensen will become the largest British manufacturer of high-performance sports cars after Triumph. Its output would be bigger than either Jaguar or Lotus.

VW wired for computer

A built-in system for fault-finding is the outstanding feature of the 1972 model Volkswagens. The cars are wired for plugging into computerised diagnostic equipment to be installed at every VW dealer in the U.K. by February, 1972.

The computer will make rapid and inexpensive checks on the car's operational functions and roadworthiness. The Service Director of Volkswagens (GB) Mr. Ron Williamson said the system would set new standards in car servicing.

Buyers of VWs will be given vouchers for five free Computer Diagnostic checks covering the car's first 24,000 miles. Afterwards, they can be carried out for £1.50 to £2.40 depending on the model.

The wiring for Computer Diagnostic is the most important of 300 modifications distinguishing the 1972 Volkswagens from their immediate predecessors. Yellow and Gentian Blue.

Loan market moves by two groups

BY MICHAEL BLANDEN

TWO developments in the loan market were announced yesterday by leading financial groups. Hill Samuel, the merchant bank, is introducing a new flexible scheme to provide medium-term sterling loans for five years or even more for companies. And Slater Walker is moving into the instalment credit business with the formation of a new group company, Slater Walker Finance.

Hill Samuel argues that its new loan scheme for companies is claimed as the first to be pre-empted by a merchant bank—will fill a gap between short-term sterling lending with its fluctuating interest rates and the long-term finance available through the capital markets.

The minimum for a medium-term loan will normally be £50,000; there will be no top limit, as the amount offered will depend on the nature of the proposition.

Under the Hill Samuel scheme, interest rates will be agreed with the borrower on a competitive basis. They may be fixed for the term of the loan, subject to review, or linked with Bank Rate or money market rates. Hill Samuel argues that the availability of medium-term loans will be of considerable help to companies in planning their finances.

Mr. Donald Bardsley, head of the bank's commercial banking department, commented: "We believe that there are considerable advantages to British companies in having readier access

to medium-term loans in sterling in addition to, or as an alternative to, traditional forms of financing."

"With our experience of medium-term currency lending in the Eurodollar market, we think we can be of real help to companies needing security of these new sterling loans."

Competition

The new Slater Walker company is aimed to take advantage of the opportunities of the expanding credit market in the new climate of competition introduced recently. The group comments that the move "is a natural development of the group's policy to provide a comprehensive range of financial and banking services to commerce, industry and the public."

The activities of the new company will include hire-purchase, leasing and a range of other instalment credit finance, designed to finance, among other transactions, the purchase of cars, commercial vehicles, plant, machinery and equipment, and aircraft.

The chairman of Slater Walker Finance is Mr. John Ford, financial director of the parent company, and the managing director is Mr. Victor Cannock, previously general manager of Lomhank, the instalment credit subsidiary of Lomhank Bank.

Companies told: Beware consumer groups

BRITISH industrialists must not complacently watch the growth of militant consumer protection groups, a world quality control expert warned yesterday. Such groups had already damaged the U.S. economy, he added.

Dr. J. M. Juran said that consumer advocates were not yet "swarming" as furiously in Britain as they were in America, but there were signs that they existed. Addressing the Institution of Works Managers in London, Dr. Juran said the car industry was an example of the consumer revolution.

Adding safety devices—most of which were never used—to American cars had added \$200 to the price of a vehicle. On top of that, the movement for additional safety devices led to an increase

in the use of unsafe cars, because many could not afford the extra money required to buy a safer one.

Dr. Juran recognised that there was a problem regarding quality of workman. Advertising was often exaggerated, if not downright "swarming" as furiously in Britain as they were in America, but there were signs that they existed. Addressing the Institution of Works Managers in London, Dr. Juran said the car industry was an example of the consumer revolution.

Dr. Juran said that, if industry took the leadership, it would save itself further legislation and which were never used—to find the reasons for consumer unrest. It also has converted its list of consumer problems into a movement for additional safety devices led to an increase

Birmingham centre site planners named

BY OUR MIDLANDS CORRESPONDENT

PLANS for the redevelopment of the prime Birmingham city centre site in Victoria Square, now occupied by the head Post Office—in process of moving to new premises—are to be drawn up by Comprehensive Development Associates, the professional property consultants headed by Sir Frank Price.

Sir Frank will advise the Post Office and take the scheme through the consultative stages with the planning authorities to the selection of the developer.

The site, which comprises two blocks of 45,000 sq. ft. and 24,000 sq. ft., separated by Hill Street, faces Victoria Square and Paradise Street. Its value is dependent on the final development plan, but as one of the most important sites in the city it will be in the seven-figure bracket.

The development is likely to provide a new civic square facing Victoria Square, and the town hall, with office accommodation over shops, banks, etc., and underground car parking facilities. The main Post Office counter will still remain on the site but will be re-

PARKING—FOR MINIS ONLY

Leicester Corporation, with the support of the Department of the Environment, this week opens an experimental car park for "mini" cars only—Minis and similar cars 11 feet long or less.

The Department has for some time wished to take part in a practical test to see whether there would be any advantage in providing these special car parks. Leicester Corporation agreed to co-operate and has converted its Ashwell Street car park in the city to cater for mini cars only. This site is in a busy part of Leicester and will accommodate 103 mini cars (as against 71 cars before conversion). Parking charges will be 6p for four hours and 12p for all-day, compared with 8p and 17p for cars in nearby standard parks.

Barclays Bank DCO changes its name to Barclays Bank International Limited

Following an Extraordinary General Meeting of the shareholders of Barclays Bank DCO it has been resolved that the name of the bank shall be changed to Barclays Bank International Limited with effect from 1st October 1971.

Our new name reflects the continuing expansion of our business; all services to customers remain unaltered. The only change at this stage is our name, now Barclays Bank International.



BARCLAYS
International

How to compare copiers and duplicators at this year's B.E.E.

You know how the B.E.E. can be. A bit frantic. So we're making it a bit easier if you're on the look-out for copiers and duplicators.

Below are some pertinent (or in some cases, impertinent) questions. We suggest you actually ask them. It'll make comparison a lot simpler for you.

We've answered for ourselves. So when you hear the answers from the others, there's just one more thing you should know. You'll find Rank Xerox on Stand 77/91.

| Questions | Rank Xerox | SCM | 3M | Copycat | Roneo | Gestetner | Others |
|---|-------------|-----|----|---------|-------|-----------|--------|
| 1. Do your machines use ordinary, uncoated paper? | yes | | | | | | |
| 2. Do they need a separate machine to make a master? | no | | | | | | |
| 3. Do they print direct from any original? | yes | | | | | | |
| 4. Do they need a skilled operator? | no | | | | | | |
| 5. Sure? Can a secretary work them? | yes | | | | | | |
| 6. Must she type a stencil for them first? | no | | | | | | |
| 7. Would they look nice outside her boss's office? | yes | | | | | | |
| 8. Do they copy on both sides of the paper? | yes | | | | | | |
| 9. Are there any inks or chemicals to make a mess? | no | | | | | | |
| 10. Do you have a machine that collates as it prints? | yes | | | | | | |
| 11. Do you rent or must I buy/lease? | we rent | | | | | | |
| 12. So to change models, there's no negotiating a trade-in price/lease termination? | none at all | | | | | | |
| 13. Do you have any machines on a one month contract? | yes | | | | | | |
| 14. Can your range manage high, medium and low-volume copying and duplicating? | with ease | | | | | | |
| 15. Any new machines this year? | P.T.O. | | | | | | |

RANK XEROX

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Birmingham: 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

HOLLIDAY GROUP LIMITED

(Electrical Engineers and Contractors)

Salient points by Mr. H. A. Holliday, M.B.E., Chairman:

For the year to 30th April 1971 the net profit before tax increased from £184,363 to £220,047, a rise of over 19%. Due to the welcome reductions in the rate of Corporation Tax net earnings also improved from £104,820 to £135,984—almost 30%. Your Company has paid an Interim Dividend of 6.5%, and the Directors recommend a Final Dividend for the year to April 30th 1971 of 23.5% making a total of 30% which compares with 23.5% last year.

Turnover at £4,543,994, was considerably up on last year mainly due to a substantial increase in industrial contracting work. An improvement in margins in this sector largely offset the difficulties with which the construction industry work has had to cope in the shape of inflation in costs on long term contracts, late completions and an increase in Training Board Levy.

1971 marked the successful completion of the Group's largest contract to date at Fawley Power Station where the value of services provided over a four-year period amounted to approximately £2 million.

It has always been our policy to maintain a diversity of interests over most types of electrical contracting work so that the effect of a diminution in any particular sector would be minimised, and it has enabled us to grasp the opportunity to secure more industrial and public works contracts.

I anticipate that the overall results for 1971/72 from the present work in hand will exceed that of last year provided that major contracts go according to plan. I would additionally like to mention that your Group has recently secured a number of substantial long term orders, the anticipated results of which should form a satisfactory basis for 1972/73.

Kitson's

Thermal Insulation Engineers

**Material increase
in profits anticipated**

In his Statement to shareholders of Kitson's Insulations Limited the Chairman, Mr. F. N. Upchurch, reports:

Group Profit before tax for the year to 31st March 1971 was £184,363 against £135,984. In all the circumstances of a most difficult year there are grounds for some satisfaction and I am pleased to report an improvement in profitability in the second half of the year. Your Board have every confidence in the future and therefore recommend a total dividend of 18½%, less income tax (same).

The Group Profit has been severely affected by losses amounting to £119,107 in two subsidiaries, Kitson's Sheet Metal Limited and Jackson's Insulations Limited. The activities of the former have now been terminated. The re-organisation of Jackson's Insulations, acquired in February, 1970 is now complete and the Board are confident that this subsidiary will prove profitable.

We have now fully entered into new fields, especially the Oil and Chemical Industries and Cold Stores, whilst maintaining our reputation with established clientele. We have secured some conspicuous contracts for new Breweries.

Forward orders are most encouraging, turnover is running at a record level and the losses of the two Subsidiaries having been resolved I believe, subject to unforeseen circumstances that profits will be materially increased in the current year.

1m. jobless in New Year may be an underestimate

BY DAVID WALKER

FORECASTS OF 1m. unemployment by early next year could prove to be underestimates, according to the latest survey of jobs prospects by Manpower, the international employment agency.

At the same time, the survey, published yesterday, reveals that in the Midlands and North East, at least, employers feel that the lack of jobs problem will now begin to "bottom out". But, it discloses, the majority of the 2,000-plus companies questioned throughout the country expect the present depressed situation to prevail for another five to six months before any upturn comes.

With the exception of the South and, to a much lesser degree, the North-East and East Anglia, the returns show that the forward view for the October-December quarter is bleak with the prospect of worse—but employment not much worse—employment difficulties to come," the survey states.

Companies are, in the main, not anticipating that they will take on extra labour until the improvement in the economy becomes better defined. Manpower reports that the "slightly hopeful" picture for the turn of the year presented in its July survey is not reflected by the latest returns.

Faint hopes

At the same time, the optimism expressed then has not entirely vanished, even if it is fainter. "The supported view now seems to be that the awaited pick-up in the economy will be delayed until the early spring or perhaps early summer of 1972 when Government priming measures have had time to show their real worth."

Fears over delays in Scottish house building

BY OUR OWN CORRESPONDENT

GLASGOW, Oct. 4.

HOUSE BUILDING schemes planned by the Scottish Special Housing Association are being held up on the drawing board by the Government because of the trade depression and the state of the economy.

Altogether, 2,945 new houses are affected by the postponement, and if the go-ahead is not granted soon the houses have to be re-designed to comply with metric standards, the Association's programme of completion could drop from 4,202 in 1970-71 to 1,500 by 1974.

The houses were planned to be occupied by essential workers coming into these areas of industrial expansion.

When the Association's chairman, Mr. William S. Gray, and members of the management council met Mr. George Younger, Scottish Under-Secretary for Development to-morrow in Edinburgh they will stress the need for an immediate sanction so that the resources of the Association can be fully utilised, the labour force given continuity of employment and a further contribution made towards better housing particularly in the Clyde-side area.

The largest scheme of over 500 houses is planned for Dunfermline, and others were due at Kirkcaldy, East and West Lothian, Kilmarlock, Linwood, Stewarston, and Falkirk.

STOCK EXCHANGE PEAK BUSINESS IN SEPTEMBER

Gilt-edged boom lifts turnover above £7,000m.

BY ERIC SHORT

HECTIC ACTIVITY in the gilt-edged market last month was the main cause of London Stock Exchange turnover topping the £7,000m mark to reach a new peak. It was the third occasion this year for a fresh record.

Business during the month leaped by £2,618m to £7,144m, which exceeded the previous high in July by £1,127m. The Financial Times Stock Exchange Turnover Index for All Securities was 238.4 in September, compared with 200.8 in July and 151.1 in August. The average value of the index for 1970 was 107.8.

Heavy switching

Heavy switching from short-dated to longer-dated stocks was one of the reasons for the boom in the gilt-edged sector. Here, turnover moved to a record of £5,522m, a rise of £2,401m on the month and £449m above the previous best in January.

Both sections of the gilt-edged market participated in the activity. The Financial Times Turnover Index for British Government Securities for September was 238.9, against 133.9 in August and the previous high of 217.1 in January. The 1970 average for this index was 97.6.

Business in other fixed interest securities rose by £135m, so that turnover in all fixed-interest securities advanced by £2,536m to a peak of £5,915m.

By comparison, the equity sector appeared dull, although

turnover exceeded £1,000m for the sixth month in succession. Business went up by £82m to £1,227m, the third highest monthly total, but still £307m below the record of July. The Financial Times Turnover Index for Ordinary Shares rose to 253.7 in September from 236.7 in August.

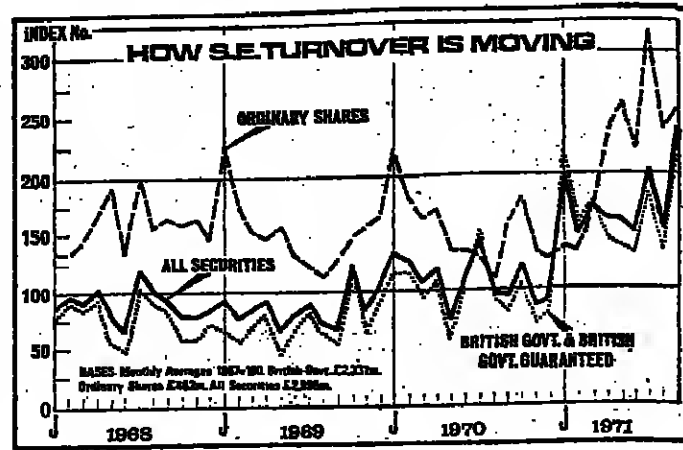
With one more business day in September than during August, the number of bargains was 65,000 up at 616,981, the second highest number this year. Equity deals were 43,000 more at 453,100, and gilt-edged bargains were a record 54,014.

In the nine months to September 30 turnover in both main sectors for 1971 is already higher than for the whole of 1970. Gilt-edged business reached £25,026m in the nine months, compared with £27,350m for all of 1970 and 64 per cent higher than the corresponding period of last year.

Turnover in equities between January and September reached £25,026m, compared with £23,813m for the year 1970, and was 41 per cent greater than in the same period last year. The net result was that business in all securities reached £48,842m for the nine months, a 56 per cent advance on the position at the same stage a year earlier.

Turnover for the whole of 1970 was £38,767m, so that 1971 will be a record one since the statistics first appeared seven years ago.

The increase in the number of



The firmness of gilt-edged prices during September was demonstrated by the performance of the Financial Times Securities Index for equities was 17 per cent higher. Thus the increase in turnover, especially in gilt-edged, reflects a rise in the average value of bargains.

The continued strength of sterling and the move towards lower interest rates, which was confirmed by the lowering of Bank Rate to 5 per cent on September 2, kept gilt-edged prices rising throughout the month. There was considerable switching to the long end of the market and the new long "tap" issued on September 6 was well received.

Equity market

The equity market was firm in the first week of the month and prices rose to their highest levels this year. However, the market turned hesitant later as buyers held off and profit-taking ensued.

The deterioration in prices became more marked on the final week on persistent small selling and a continued reluctance of institutional buyers to enter the market in the absence of hard evidence of economic recovery.

The weakness in equity prices was shown by the behaviour of the Financial Times Industrial Ordinary Share Index during the month. Starting at 413.0, it climbed to the year's high of 430.8 on September 7. From there it moved within fairly narrow limits to 425.3 on September 16. Then it fell rapidly to finish the month at 408.2, a fall of 3.5 per cent in 10 days.

| Category | Value of all purchases % of and sales total £m. | Number of bargains | % of total | Average value per day £m. | Average value per bargain £ | Average no. of bargains per day |
|---|---|--------------------|------------|---------------------------|-----------------------------|---------------------------------|
| British Govt. and British Govt. Guaranteed: | | | | | | |
| Short-dated (having five years or less to run)... | 2,412.2 | 33.8 | 13,907 | 2.2 | 109.6 | 173,456 |
| Others | 3,110.5 | 43.5 | 40,107 | 6.5 | 141.4 | 77,555 |
| U.K. Local Authority | 175.8 | 2.4 | 8,531 | 1.4 | 8.0 | 20,612 |
| Overseas Govt. Provincial and Municipal | 27.3 | 0.4 | 3,593 | 0.6 | 1.2 | 7,589 |
| Fixed Interest Stocks, Pref. and Pref. Ord. shares... | 191.8 | 2.7 | 67,743 | 11.0 | 8.7 | 2,831 |
| Ordinary shares | 1,227.0 | 17.2 | 483,100 | 78.3 | 55.3 | 2,540 |
| Total | 7,144.6 | 100 | 616,981 | 100 | *324.8 | *11,580 |

* Average of all securities.

More BEA seats on Orly service

BRITISH EUROPEAN Airways is to increase the number of seats on its Orly to Paris service. Operations to Le Bourget, available on services to Orly Airport, Paris, by 40 per cent this winter, as compared with last year. Capacity will be raised to 280,000 seats on the Trident jets in each direction between Heathrow and Orly on weekdays. At week-ends there will be slightly fewer flights.

BEA also plans to fly a record number of French visitors from Orly to Britain this winter. Bargain price inclusive tours have been arranged for thousands of Parisians to spend shopping sprees and Christmas holidays in London.

"For the French, London stores are Britain's top winter attraction," said a BEA spokesman.

COUNCIL TENANTS TO PAY BY GIRO

From this week, nearly 5,000 council tenants in the Chislehurst, Bromley, Motingham, Eickley and St. Paul's "Gray" areas of the London Borough of Bromley can pay their rents through Giro. The council is ending "door-to-door" rent collections.



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To-day the Emperor of Japan begins his visit to Britain. Here, EDWARD de BONO, whose book *The Use of Lateral Thinking* has sold 240,000 copies in Japan, writes on:

How the Japanese mind works

THE WEST has always had difficulty in understanding the Japanese mind because we have insisted on regarding it as complicated rather than different. If you look at Japanese thinking through Western concepts it is indeed incomprehensible, just as a Welsh if you listen to it in English.

Ego and pattern

In the West our religions and culture have worked hard to simplify the ego: personal reward and personal punishment; heaven and hell; sin and virtue; personal success and personal failure. It is a push/pull system designed to make people function properly as individuals so that a collection of them will function properly as a society. Personal ambition and its opposite, despair, are essential parts of the system.

In the East it has been the other way round. Religion and culture have tried to suppress the ego and to dissolve it into the fixed patterns of nature and society. This trend is common throughout the Far East. But the island nature of Japan and its deliberate isolation for centuries have crystallised the patterns more than anywhere else.

The fundamental point of difference is that the Western mind is based on the ego and the Japanese mind is based on the pattern. From this basic difference arise all the other points of difference. Once you realise you are dealing with a pattern system the differences become obvious and are no longer incomprehensible.

A pattern is an expected way of behaving. It is also a structure in terms of status, responsibility, available modes of action, channels of communication, different interfaces, etc. This may suggest the Western concept of "organisation man." It must be remembered, however, that the Western organisation man integrates his home life, pleasures, and business life into one. He invites the boss home for dinner, does not get drunk in town, has his wife vetted by the boss before he can be promoted. In Japan the business role is only one of several other roles and no Japanese businessman could dream of bringing business home. During the war in a Japanese prison camp a prisoner caught a beautiful butterfly and was so admiring it that he failed

to salute a sentry who beat him up and took him to the commandant for further punishment. But the commandant looked at the butterfly and invited the man to drink tea with him. The commandant had switched from the traditional aesthetic role to the traditional aesthetic role. The sentry, however, only had a single unalterable role.

Job mobility

Westerners find the idea of lining up workers in the morning to sing company songs very bizarre. It is felt that workers should rebel against this regimentation imposed on them by the company. In fact far from imposing its songs on the workers the company is helping them by creating a defensible role.

Group-think

All Japanese decisions are the result of group-think. It takes an amazingly long time for decisions to be made because each person has to contribute to the group idea pool. No single ego is strong enough to carry through a decision on his own but alone push it through in the face of opposition by others. Each person is brought into the decision process and each person's views listened to without being judged.

Saturate field

The decision field is saturated with facts, forecasts, analyses, and even ideas and gradually the decision begins to form itself and emerge. This is quite different from the Western concept of decision where one person puts forward his views and then these are attacked. In the end either his decision overcomes the opposition and is used or a dialectic synthesis is achieved. Western decision-making like thinking is based directly on the YES/NO system. But the Japanese system is to saturate the field and let the decision emerge without ever having to use YES/NO judgments. A Japanese businessman will rarely say NO. To the infuriation of a Western businessman, he will simply allow the idea to develop that the deal is not going to emerge.

Contract point

In the Western YES/NO system there is a contract point before which nothing happens and after which everything happens. This is not necessarily so in Japan. For instance I often receive contracts for the publication of my books long after the books have in fact been published. The chairman of the Kuwait oil company once complained to me that he had come back from a Japanese shipyard where he was willing to sit down and sign a contract for a 300,000-ton tanker but no one in the yard seemed capable of signing the contract. He expected that nothing would happen before signature of the contract and everything afterwards. In fact the ship was probably being built while he was negotiating. If you are still dealing with a Japanese firm after the initial approach stages then the deal is as good as agreed upon. What remains to be sorted out for the contract are the details which give the fairest terms to both sides.

Both intelligent

Unlike the Western businessman the Japanese businessman always assumes that the person he is talking to is at least as intelligent as himself. He is not out to make a fast deal by being lighter than the other man. The assumption is that with two intelligent people neither will be able to deceive the other or even try. This does contrast with the West, and especially

the U.S., where sharp wheeling and dealing is a basic part of business.

Centralised

I was in Japan with a vice president of Time/Life and he wanted to buy a particular Nikon camera. His camera contacts were of course excellent but the camera was nowhere to be bought. It turned out that there had been overproduction of cameras the year before so all companies making cameras had cut back production. The overproduction had been in the cheaper cameras and Nikon had no difficulty in selling every camera it produced. Nevertheless Nikon had cut back along with the rest. A company is part of a larger pattern (zaibatsu trade association, etc.). This allows the sort of centrally directed economy that has been the subject of much comment and even envy abroad. It is this sense of belonging to a pattern that makes impossible the "what you can get away with" idiom or "I'm all right, Jack" which is characteristic of an ego based society.

Efficiency and Effectiveness

An Englishman, by contrast, wants his own ideas not someone else's. Moreover he feels that to copy is cheating. But a Japanese regards an idea as a tree in the collective mental landscape. It does not belong to anyone in particular. It is there to be looked at, admired, and used by everyone. It belongs to humanity once it has come about.

The Japanese are possibly among the most inefficient people in the world. It is a heavily bureaucratic system with all the inefficiency that implies. The Japanese attempt to launch their own satellite failed four times due to such consensuses as the discarded rocket stage smashing into the satellite itself. My own publishers often forget to send royalty statements for years on end. With the exception of companies like Toyota, the productivity per worker in Japan is about half what it is in West Germany and a quarter what it is in the U.S.

But efficiency is a Western concept. The Japanese prefer a different concept—effectiveness. If one man paints a lamp-post in two hours that is efficiency. If ten men paint the same lamp-post in one hour that can be effectiveness. Effectiveness is concerned with getting the job done with least waste and cost. Effectiveness is concerned with getting the job done properly.

Effectiveness does not mean that the Japanese have access to an abundance of cheap labour. This is a Western excuse/myth to with an account for Japanese effectiveness. What it does mean is that the people are meticulous, hard-



Edward de Bono, author of *Lateral Thinking for Management*, *The Use of Lateral Thinking* and *Technology To-day*.

working, and thorough. Once they are set into the working pattern they will work hard and complete the job. They would find it as difficult to slack or break off as a golfer would to stop in the middle of his game.

Strength

The strength of Japan arises from this unique combination of tight structure and organisation with an eagerness to embrace new ideas. Thus alongside the rigid Shinto patterns there is gentleness in grey toppers and the strand of Zen with its emphasis on breaking out of conventional patterns. In the Western YES/NO system change is the result of attack on the old idea until from the conflict and chaos a new pattern emerges. The Japanese prefer to hold on to the old patterns and then suddenly switch over directly to new and better ones.

Soon after the Meiji restoration in the middle of the last century it was decided to switch over to Western patterns. Within a few years there was an Asot with ladies in Asot gowns.

In the last few months three life insurance companies have resigned from the Life Offices Association.

What's wrong with the LOA

BY JOHN CLOVER

LAST WEEK two more members of the Life Offices Association resigned. Current events are conspiring to throw a fierce light on the life insurance industry. The Scott Committee, the release of the Press of some of the evidence submitted to it, and a general feeling of unease as to the manner and extent of supervision of life insurance companies, have all contributed to a realisation that we may not, in present and developing conditions, be living as we thought in the best of all possible worlds.

Procedure

In the middle of this controversy there stands the LOA. It is idle to pretend that everyone is satisfied with the LOA. Moreover, it is perhaps worthy of note that this dissatisfaction is felt in a greater or lesser degree by those both inside and outside the organisation. The grounds for dissatisfaction are varied. Those inside resent those outside being able to operate on an uncontrolled basis, particularly as regards commission agreements. They suggest that the present LOA procedure in relation to new and smaller companies is akin to allowing burglars to ply their trade without let or hindrance until they have amassed sufficient wealth to become respectable and apply for admission to the police force.

Those outside the organisation appear divided into two camps. On the one hand there are those who feel they are categorised as second-class citizens. On the other hand, there are those who feel far from inferior and think of the LOA as a cosy club, egalitarianly inclined and so far removed from the market place that they have little to offer a progressive organisation except chains.

In these confused circumstances one approach to the problem would be to ask the question "If the LOA was formed to-day what would its purpose be?" It is possible to identify three quite different jobs that require to be done and perhaps we could take a look at them. They are (not necessarily in order of importance):

- (1) Control and regulation of the industry and its permitted practices.
- (2) Representation of the views of the industry to Government.
- (3) Enlargement of the public image of the industry and the vigorous promotion of life insurance as an essential financial service and savings medium.

The LOA has never appeared to certain of its role when considered in these terms. It may have attempted the impossible in

trying to cover the waterfront and accomplish all three objects at once. Failure (for such it is) in the marketing area has attracted most criticism notably from the more progressive and market orientated companies.

In my view, this failure springs from the fact that the LOA has tended to concentrate on (1) and (2) above and is represented therefore at LOA meetings by senior technical experts. Marketing representation is rare. Yet many people think that the LOA's principal and most useful function should be to increase the sales of the product by bringing it ever more forcefully before the public.

In the main the LOA appears, at least to critical eyes, to see itself as a regulatory body with legalistic overtones. The only snag about this approach is that the LOA has no statutory or any powers whatsoever to regulate anything. It thus finds itself doing the job of a supervising government department, and "for free" at that. It can only act on the basis of agreement and pleas for adherence to the rules of the club.

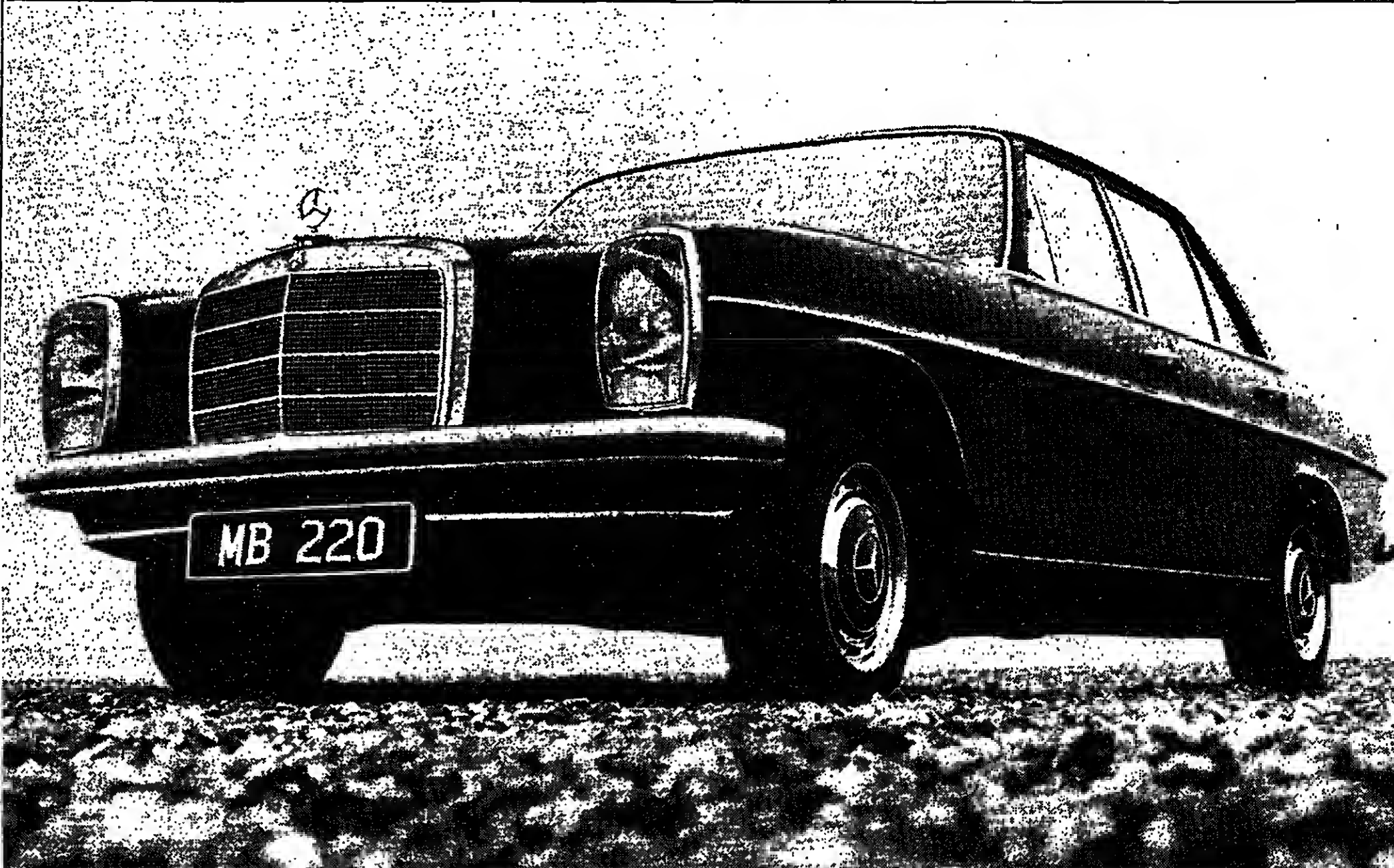
It is almost impossible to get all the multiplicity of interests to agree. Therefore the LOA has to pursue a course which is by its nature a compromise.

Superintendent

It seems to me that Britain needs a Superintendent of Insurance, who would be independent of the LOA and of the industry. The appointment of an Insurance Superintendent at least has the merit that everyone would know where they were and what they could and could not do. The industry has not made a particularly good job of regulating itself. Look at the recent attempts to form organisations to deal with equity-linked policies and with property bonds. I believe that the LOA should stop trying to play so many different roles at once. The industry needs three separate and distinct bodies to perform three totally different tasks:

- 1—A Superintendent of Insurance with wide statutory powers.
- 2—An LOA giving up entirely its regulatory role but continuing to represent in the technical field the views of the industry to governments.
- 3—A new top-level organisation designed to represent the industry vis-a-vis the public and vigorously campaign for, and advance, the life insurance cause.

John Clover is vice-president for the U.K. of Confederation Life Insurance Company of Canada.



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Mercedes-Benz: the end of compromise

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TUESDAY OCTOBER 5 1971

Consumers begin to spend

MR. BARBER'S mini-Budget of July 19—in which terms control of the purchase was lifted and purchase-tax reduced—has had a greater impact than expected on consumer spending. Retail sales as a whole rose sharply in July and August: during these two months they were 1½ per cent. higher in terms of volume than during the second quarter. Shops specialising in durable goods did a particularly brisk trade, with sales during the last couple of months 10 per cent. up on the second quarter level.

It is the more expensive durables, especially television sets, which have been selling best, partly because price cuts are more attractive in their case, partly because they benefit most from easier credit. Credit sales by retailers, in fact, were 12 per cent. up during July and August. The amount of new credit extended by finance houses, mainly for cars, was up even more dramatically, by 30 per cent. over the second quarter. The amount extended in August alone, which is always a good month because of the new registration letter, was 110 per cent. more than a year before in the case of new cars and 74 per cent. more in that of second-hand cars.

Cars on HP

The total debt outstanding to finance houses and retailers was tending to grow even before the July measures were announced and is now £38m. higher than it was at the end of March. Similarly, the clearing banks were working hard to expand their personal loans before the new system of credit control came into force at the end of last week and may have got them up by as much as £30m. during the month to mid-September. Even if consumer spending financed by credit does not continue to grow at this pace,

the outlook is reasonably good: while car sales normally fall off for purely seasonal reasons in the autumn, demand for household durables should continue to rise now that the holiday period is over and Christmas is approaching. Competition between the banks and finance houses to lend will help to bring down an unexpectedly high savings ratio and stimulate personal spending as a whole. The demand for household goods is likely to be further encouraged by the revival in private house-building, itself a result of the high level of building society lending on mortgage.

More imports

This recovery in consumer expenditure is entirely welcome as the first step in the Government's attempt to take up slack productive capacity and expand the economy by 4½ per cent. between the first halves of this year and next. But two points ought, perhaps, to be made about it. The first is that the recovery will do nothing to help business activity at home to the extent that consumers spend more on imported goods. In the case of cars, the growth of sales during the past couple of months has greatly exceeded the growth of output and exhausted stocks. In the case of household durables, the domestic industry is exposed to considerable competition from countries like Italy and Japan. In both cases, the increased protection of the U.S. market (whether through a surcharge or devaluation of the dollar) may lead to a more determined assault on the U.K.

The second point, which is of considerable political significance, is that even an upturn as great as that at which the Government is aiming, though it should prevent unemployment from rising much further, is unlikely to reduce it markedly for 12 months to come.

Vital session for Stormont

NO ONE is in a hotter political seat than Mr. Bryan Faulkner, the Prime Minister of Northern Ireland, where the Stormont parliament reconvenes to-day. It is impossible to argue convincingly that the situation in the province is any better to-day than when internment was introduced in August, and in some respects it is worse. There have been two developments of the highest importance which may make this session Stormont's last.

There has first of all been a damaging political polarisation. The Catholic politicians are refusing to have anything at all to do with Stormont; they have walked out of parliament, they are abstaining from local councils, and they will not go to Mr. Faulkner's discussions. They insist that the internment must be released or charged, and while their intransigence on this point has put them into a corner, any compromise will reduce their influence still further with the Catholic population.

Disaffection

Similarly, Mr. Faulkner's Unionist Party is reeling with disaffection. He has powerful opponents inside Stormont such as Mr. William Craig, who would probably like to take over the party, and Mr. Ian Paisley and Mr. Desmond Boal, who are planning to set up a new party of Protestant loyalists. In both cases the appeal is to the Protestant majority which believes that Mr. Faulkner and his predecessors have been too weak with the terrorists and too ready to give power to the minority. Rightly or wrongly, most of the official Unionists in Stormont are under this attack, and if an election were called to-day more than half of them would not even be re-elected by their constituency associations. Protestant opinion in general has moved far to the right.

Possibly worse than this political polarisation is the increasing social division of the country. Protestants and Catholics are physically moving away from each other, leaving what used to be mixed residential areas and setting up sectarian ghettos. Companies are having greater difficulty in employing people from both sides in Belfast a large part to-day may be the last act in of the British army's energies the Anglo-Irish tragedy.

Horrendous

Their patience, and the restraint urged on them by even right-wing politicians, cannot survive such attacks indefinitely. The Army regards open rioting between the communities as the worst possible development, but knows it may happen. If the terrorists are not stopped soon, then the price for restraining the Protestant population may well be a surge of support for the hard-liners and the collapse of Mr. Faulkner's Government.

Both alternatives are horrendous for the British Government. If the Army were caught in the middle of civil war between the religious communities, nothing short of martial law or direct rule could restore even a semblance of ordinary life. If the only Government capable of holding sufficient of the right wing of the Unionists, the prospects for what would be a peaceful co-existence among all tial areas and setting up sectarian ghettos. Companies are having greater difficulty in employing people from both sides in Belfast a large part to-day may be the last act in of the British army's energies the Anglo-Irish tragedy.

Europe's carmakers look to the luxury end of the market

With the Paris Motor Show opening this week, James Ensor, Motor Industry Correspondent, investigates Europe's luxury and executive car markets, "where the real profits are made"

THE MAJORITY of the cars which the public will see for the first time at the Paris Auto Salon this week, or at the London Motor Show later this month, will be luxury models. Mercedes-Benz will display its new 350 SL sports car, and 350 SL coupé as well as its V8 engine saloon. BMW will have its new three-litre saloons and coupés; Peugeot an estate version of its 504 two-litre saloon; and Volvo a fuel-injected version of the 164 as well as a new sports-estate car. Alfa Romeo and Lancia will show their new two-litre and Rover a new version of the Rover 3500.

Energy and innovation

By contrast with this display of energy and innovation in the £2,000-plus market, the volume manufacturers will have little to show. The Cortina, Marina and Firenza have not appeared at motor shows before, but they are already well known to the public. The importers have little new, except for Fiat which will show its 127, designed as a rival to the ever-popular British Leyland Mini. Renault, which is also planning a new rival to the Mini, will not have it ready until next year but instead will show its new 15 and 17 sports coupés which are the most expensive and luxurious cars that it has ever produced.

All the major European car producers are turning their attention to the luxury and executive car markets. It is in the upper sectors of the market, rather than the bread-and-butter volume sectors, that the real profits are made. Buyers are less likely to question price variations of a few pounds when buying a new two- or three-litre model than the buyers of a 1300 c.c. family car. They are also more ready to pay extra for advances in performance, comfort or styling. As a result, while profit margins in the volume sectors are so slim that a company like Volkswagen or Austin-Morris can only make money when it is producing at close to capacity, several of the specialist producers of luxury cars are earning handsome profits.

Most observers of the industry have been forecasting that the smaller car producers will have to merge into powerful units in order to survive. The future of each of the remaining independents has been questioned. But a glance at the statistics shows that the opposite has been happening. Last year, the most profitable European motor company—measured by net return on assets—was Peugeot, which is one of the few remaining independent small car producers.

Peugeot has concentrated on building more luxurious and more robust cars than its com-

petitors and on gaining a solid place among the professional middle-class buyers. The strategy has apparently succeeded.

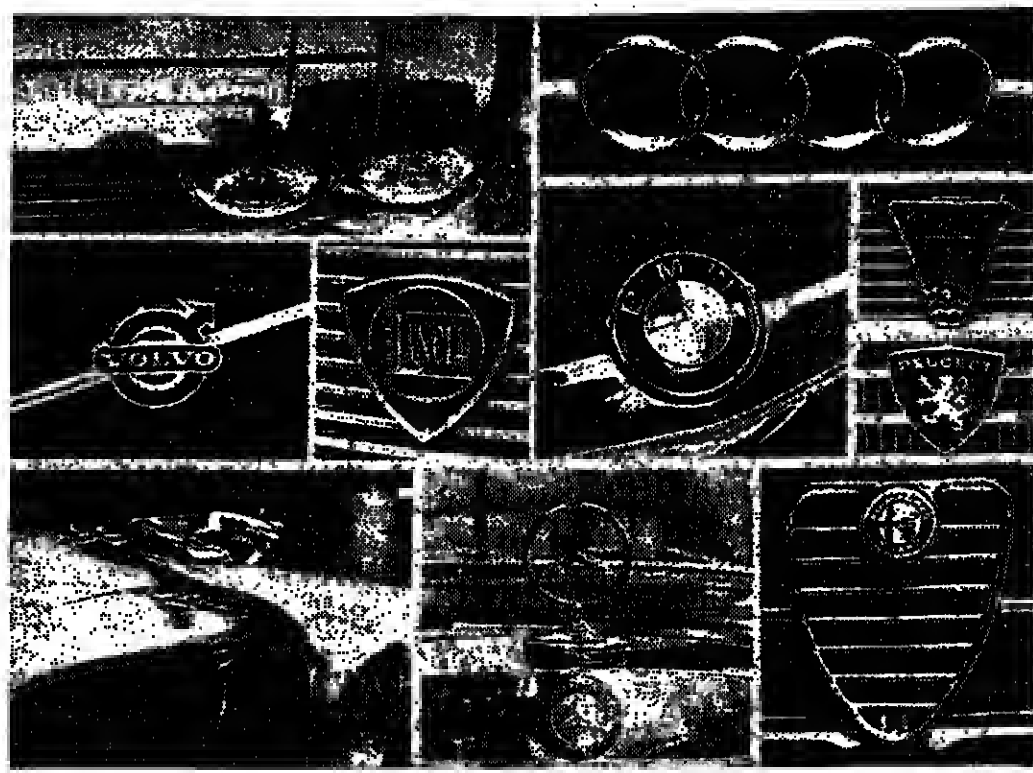
Mercedes-Benz, whose £1,250m. turnover is entirely based on luxury cars and heavy trucks, ranked as the second most profitable European motor manufacturer last year. In 1969 the pattern was similar with BMW, which specialises in high-quality, high-performance saloons, showing the best financial results—despite its modest production. Among the British producers, the same trend is apparent. Although there are no published figures, it is clear that Rover and Jaguar produce a better return than any of the four big volume manufacturers. The quality car market is growing rather more rapidly than the volume sectors in most European countries. In the wealthier markets such as Sweden, cars of two-litres and over already account for a quarter of sales; the Volvo, for instance, is a favourite of shipyard workers who value it for its low depreciation rate and reliability. In Britain, too, the two-litre class has shown better growth over the past five years than any other sector of the market.

It is hardly surprising that this market should have attracted the interest of so many manufacturers, but what is surprising, perhaps, is that the smaller companies appear to have withstood and repulsed the onslaught of the big manufacturers. In Britain, Rover and Triumph—which are still operated as independent companies within the Leyland group—dominate the two-litre class. Their major challenge comes not from Ford or Vauxhall but from Volvo, which sold more cars in this price class in the first six months of 1971 than Ford.

Stiff challenge from BMW

The position is similar in every European country. In Germany, Mercedes still easily dominates the luxury car market and faces its stiffest challenge not from Ford or Opel but from the much smaller BMW. In France, Peugeot now leads the two litre class with its 504 which has overtaken the Citroën DS. In Italy, Alfa Romeo outsells Fiat in the more expensive price ranges and its cars carry much more esteem than the cheaper Fiat.

Curiously, the volume manufacturers have almost always failed when they have attempted to produce larger or more luxurious cars. The Austin 3 litre and the Vauxhall Cresta are the most glaring examples of unsuccessful large cars produced by companies which have shown considerable flair with their cheapest models.



THE EUROPEAN LUXURY CAR PRODUCERS

| | Output in 1971 | Net profit on assets | Model range |
|-------------------|----------------|----------------------|--------------------------------|
| Peugeot | 500,000 | 9% | 1100; 1300 and 2 litre |
| Mercedes-Benz | 280,000 | 5.5% | 2 to 6 litre |
| British Leyland | 245,000 | | |
| Triumph | 150,000 | Loss | 1300; 1500; 2, 2.5 and 3 litre |
| Rover | 60,000 | ? | 2 and 3.5 litre |
| Jaguar | 35,000 | ? | 2.8 and 4.2 litre |
| Volvo | 205,000 | 3% | 2 and 3 litre |
| Audi (Volkswagen) | 180,000 | 3.5% | 1600 and 1900 cc |
| BMW | 140,000 | 4% | 1600; 2000; 2.5 and 3 litre |
| Alfa Romeo | 100,000 | 2.5% | 1300; 1600; 2 and 3 litre |
| Lancia (Fiat) | 50,000 | Loss | 1300; 1600 and 2 litre |

But there are plenty of others; the large Ford and Opel have sold only modestly in Britain years to establish. BMW and Germany, and the first Alfa Romeo enjoy a similar large Fiat, the 130, has made a poor start in its domestic market.

Experience in building cheap cars, where low price and economical performance are paramount, often seems to prove a handicap when a design team switches its interest to a luxury car. The design of executive cars is generally more advanced in terms of performance, roadholding and durability, and it is often difficult for the designers to rid themselves of small car preconceptions.

Clearly there is also an element of prestige involved. Jaguar and Mercedes have reputations, derived partly from historic motor racing successes and partly from having been the best-known luxury car manufacturers in Europe, which are difficult for newcomers to emulate. Peugeot, Volvo and Rover have a well-deserved

The value of prestige

The prestige which surrounds some of these smaller companies is often worth several hundred pounds on the sales price of their cars. They are able to command substantially higher prices than similar cars produced by the volume manufacturers, this in turn offsets their high production costs and enables them to compete on an equivalent basis. BMW, for instance, has been able to sell its 1600 and 2002 models at much higher prices than competing Ford and Opel which offer the same standard of performance.

This entrenched advantage of the specialist manufacturer has

persuaded some of the large companies that the best way to compete is by acquiring a subsidiary company with similar historic prestige. Volkswagen, having failed to market its own medium price car, the 411, successfully, has concentrated its efforts on developing Audi as a rival to BMW.

The Audi 100, a car of completely different style and conception to any Volkswagen, has in fact been highly successful in the medium-priced quality market and has emerged as a strong competitor to the small BMWs. Fiat, which took over the almost-bankrupt Lancia two years ago, is developing this company into a much more significant force. Production is rising rapidly towards economic levels and a whole new range of models is under development which will take Lancia into the same sporty, quality market as BMW and Alfa Romeo.

At present the specialists seem to be resisting the challenge successfully. Last year Peugeot and Volvo expanded

their car production by some 30 per cent., which was more than that achieved by any other European producer. British Leyland's own specialist car division is also expanding as rapidly as the Corporation's limited finances will allow. Both Jaguar and Rover are scheduled to double their recent production within the next four or five years—by which time they may be able to meet the pent-up demand for their cars.

Some of the specialists, in fact, show signs of taking the battle directly into the mass market. Alfa Romeo, with the benefit of finance from the State holding company, IRI, is opening a new factory near Naples this year. This will build a 1200 c.c. Alfa of relatively high price and performance that will be a direct challenge to Fiat's 124 and 125. Production will build up to 500,000 a year.

Superior in design

Peugeot is already a medium sized manufacturer. Its strategy has been to cover the small car as well as the large car market, but with models which are superior in design and performance to its competitors. The suspension system for the 204, for instance, costs four times as much to manufacture as the Ford Escort's. Despite its high price, the 204 has become the most popular car in France. Over the next four years, Peugeot plans to extend its range downward and upwards—with its first six-cylinder car—and raise its production to 800,000 cars a year.

Volvo also has plans for a rapid increase in output doubling its 1970 performance by the end of the decade. It will limit its attention to the two litre class and above because with high Swedish labour costs it could not hope to compete in the European small car market. Volvo currently exports 60 per cent. of production and expects this to rise to 75-80 per cent. over the next few years. It will continue to concentrate on a narrow model range, whose prime sales features are durability and low maintenance costs.

It is inconceivable that any of the luxury car manufacturers should ever rival Volkswagen, Fiat or Ford in output—though Daimler-Benz already ranks second among the Europeans in turnover. Mostly they disdain any intention of competing in the volume markets with the big companies since they cannot match the value for money which Ford or Volkswagen offer. Equally, they are coming to seem virtually impregnable in their own profitable luxury market.

MEN AND MATTERS

Following her star

It has taken some special arrangements by the Science Research Council to persuade Professor Margaret Burbidge to return to this country after a 20-year stint in the U.S. to take up the job next year of director of the Royal Greenwich Observatory (which is not at Greenwich any longer, but at Herstmonceux, in Sussex). For Mrs. Burbidge is half of a highly unusual husband-and-wife team working in astronomy, and to bring her back to Britain, her husband, Professor Geoffrey Burbidge, has also been offered work here, and they are coming back together. The SRC is saying what he will be doing. But their partnership has lasted so long—they married in 1949 after being at the same university—and been so close—they are co-authors of Quasi-Stellar Objects and many scientific papers—that it was a question of both or neither.

At present, she is professor of astronomy at the University of California, San Diego, and he is professor of physics at the University of California, San Diego. She is the observer, the one who watches the heavens by optical means. He is the theoretician, the astrophysicist. This combination of skills is necessary on most contemporary astronomical questions. These two happen to be married to each other, both in their forties, with one daughter. To bring back to Britain two of the earliest "brain-drainers" is something of a coup for the Science Research Council.

For Margaret Burbidge has what few astronomers in the U.K. have, and that is continuous experience of big telescopes. She has been working on the 120-inch Lick telescope in California, and will have a big say in the use, not only of the new 98-inch Isaac Newton telescope at Greenwich, but also of the 150-inch Anglo-Australian telescope to be completed by 1974 at a shared cost of £5m. at Siding Springs, New South Wales.

She may also be able to take a fresh look at the work of the Greenwich Observatory. Her post has now been separated from that of Astronomer Royal (traditionally the two went together) and it is felt that she may be able to generate at Greenwich some of the intellectual excitement over new ideas that have been more characteristic of university astronomy departments than the nautical-orientated Royal Observatory.

These little pigs went to China

Many of the cheaper sausages we eat have skins made from the intestines of Republican Chinese pigs. Their intestines arrive here, to be converted into "casings", marinated in barrels. But the trade is not all one way. This week-end, the final consignment of a £100,000 order for British pigs for the People's Republic will set out on the six week voyage to Whampoa. Because an English Large White tends to get stiff lying in a sty, British Livestock, the company doing the exporting, has just had two Chinamen up from the legation in London to arrange for the pigs to be taken for walks round the deck of the good ship Chang-Su during the journey.



No ad. for ATV

The BBC's Listener magazine has scruples about who advertises in it. Associated Television, for instance, has just

Blue Nun and the Grapevine.

The company you keep. The places you're seen in. What you eat and what you drink. There's always somebody who sees and knows and passes on the good news. So when you're being seen in the best places, be seen with Blue Nun. It's a crisp Rhine wine. With a cool elegance that goes with every meal. Slightly chilled, Blue Nun easily turns a happy meeting into a memorable one.

Observer

ENTERAINS - RIGHT THROUGH THE MEAL

Skyline Hotel HEATHROW

FINANCIAL
TIMES
SURVEY

Catering for the growth of international travellers

By MICHAEL DONNE

The increasing number of hotels either at, or close to, Heathrow Airport, London, reflects more clearly than anything else the growing international character of that airport and its traffic. During 1970, the number of passengers handled on scheduled air transport services through Heathrow rose by 9 per cent to over 15.6m. Out of this total, the number of passengers moving through the airport on international, as opposed to U.K. domestic, services amounted to nearly 12.6m., an increase of 11.3 per cent. The significance of these figures lies not only in their sheer magnitude, but also in the fact that the rate of increase in the number of international passengers was faster than that of total traffic.

Busiest airport

Heathrow, in fact, in terms of the number of international passengers handled annually, is now the busiest airport in the world. Figures issued by the British Airports Authority show that in 1970 the volume of international passengers at Heathrow was about 3.4m. higher than that of its nearest rival, Kennedy, New York (at nearly 9.2m.), and getting on for

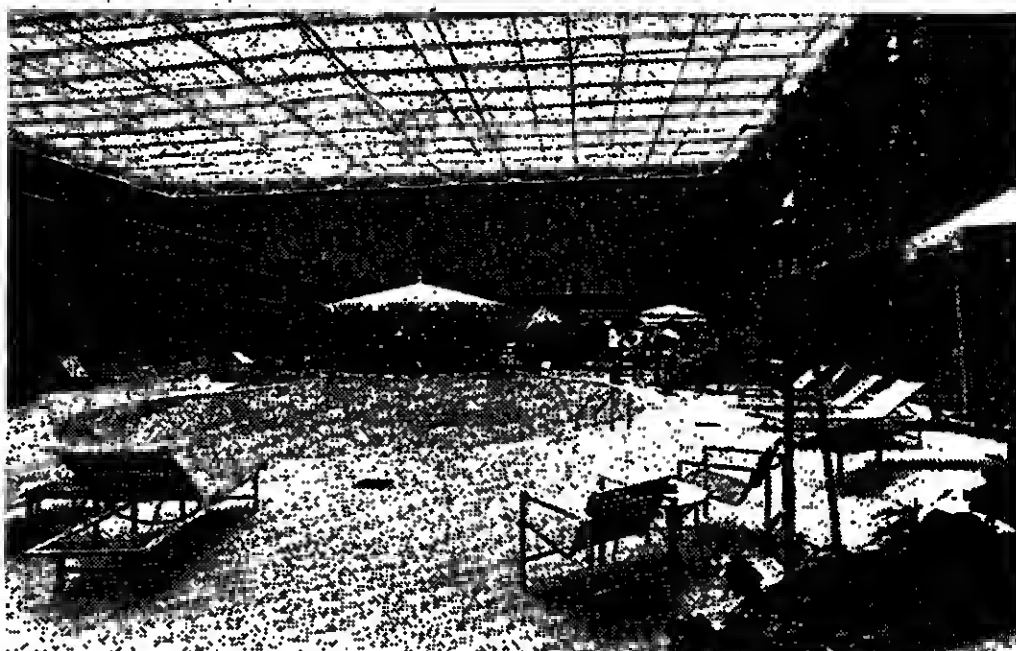
double the figure for Paris, Orly, at nearly 7m. Of course, there are several busier airports than Heathrow in terms of total passengers — Chicago O'Hare, for example, is the busiest in the world with nearly 28.7m. passengers in 1970, followed by Los Angeles International at 20.8m., Kennedy at just over 19m., and Atlanta, Georgia, at over 16.6m. Heathrow lies fifth in the list.

But what puts Heathrow above all these other airports in terms of international traffic is the simple fact that the four U.S. airports mentioned handle annually a very heavy volume of domestic movements, with in some cases a comparatively small volume of international traffic (Atlanta, Georgia, for example). Indeed, apart from Kennedy, almost every major airport in Western Europe is busier in terms of international traffic than most American airports.

This international emphasis upon European airports in general and Heathrow in particular is considered certain to expand further, as air transport itself continues to grow. During the rest of this decade, it is expected that the total number of passengers moving through Heathrow alone will rise from last year's 15.6m. to reach as many as 25m. by 1980, of which it is expected that somewhere between 80 and 90 per cent will be for international passengers.

Bed shortages

For such passengers, the journey into town, shorter though it has now been made in time by the M-4 Motorway, is still something that many of them will want to avoid, especially if hotel bed shortages in Central London itself persist, and particularly at peak seasons. For those passengers, the need of a bed near the airport is paramount, and it is this market that has given rise already to the rapid expansion in the number of hotels within easy reach of Heathrow. Upon the basis of the air traffic passenger projections already available, it can be argued that the number of existing or planned hotels at Heathrow will probably prove to be too small, and that before the decade is out a substantial number of additional hotels will have sprung up in the environs of the airport.



The patio at the Skyline Hotel.

It is not just to cater for the basic demand for beds and a brief one of a few hours, or at meals from international travellers that the Heathrow hotels boom has got under way. Many businessmen based in London are now finding it convenient to hold their conferences close to the airport, so as to spare their colleagues arriving from overseas or other parts of this country the tedium of the journey into town, especially if

are currently available. These facilities would not necessarily merely depend upon the casual trade passing through the hotels, but also attract customers from the surrounding localities—who, in their turn, might welcome not having to travel to the city centre for their evening's entertainment. These ideas of making airport hotels more of focal points for the social life of the surrounding community have already been expressed by a number of architects and planners, and may yet be put into practice around Heathrow.

It is not only Heathrow, of course, that needs and is getting this kind of development. Virtually every major airport in the world now has at least one hotel close beside it, and at some of the bigger airports there are several hotels. The more the tendency to site airports further and further from city centres grows—for reasons of obviating noise nuisance, and because of rising land values, for example—the more it seems likely that hotel developments by themselves will not be enough, and that "social centres" in their own right will have to be developed, complete with all the appurtenances of civilised life, if those airports are not to become soulless places and areas in which to live and work.

Chance offered

This appears to be particularly true in the U.K. In the case of the proposed third major airport for London at Foulness, in Essex, more than 50 miles from the centre of the city. This is expected to become one of the biggest airports in the world, handling perhaps as many as 100m. passengers a year by the end of this century. By then it will have developed round itself a complete pattern of life—it will be close to an industrial complex and a seaport, and will have a "new town" or two not too far away—but it will still need something "on site" in order to cater for the itinerant millions who will be passing through it throughout the year with perhaps only a few hours to spare.

Modern life

For airports are not just places from which passengers start and finish journeys—they are part of the very fabric of modern life, and therefore neither no reason, nor any justification, for them to be as cold and impersonal as they have tended to become. Anyone who starts and finishes a journey at one of the great London rail termini either late at night or early in the morning will probably agree that these can be soul-destroying places, calculated to cause depression in the minds of travellers. For all that they are now built of marble, stainless steel and plate glass, some modern airport terminals are not very much removed from this and tends to engender a similar state of mind. If it is a chance of even a temporary escape is offered in a hotel-cum social-cum shopping centre not too far away, many passengers would probably seize the opportunity. It is a point that hotel and other developers will interests at Heathrow at other airports in this country and overseas might care ponder.

THE SKYLINE

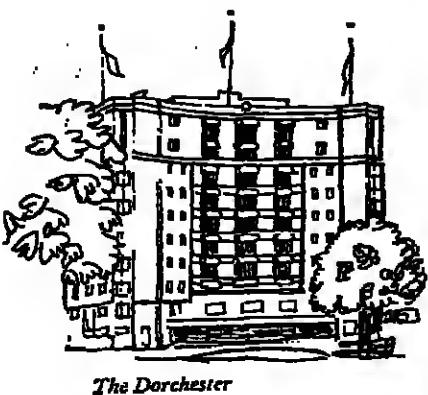
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THE DORCHESTER, SONESTA TOWER, HERTFORD,
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EXCELSIOR LONDON AIRPORT,
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EXCELSIOR GLASGOW AIRPORT.

The speed and efficiency of the Skyline's construction in just 20 months would not have been possible without the invaluable co-operation of the Client, their Architects, Engineers and Consultants and the sub-contractors, to all of whom M^cAlpine, civil engineering & building contractors since 1869, express their gratitude.

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The Dorchester



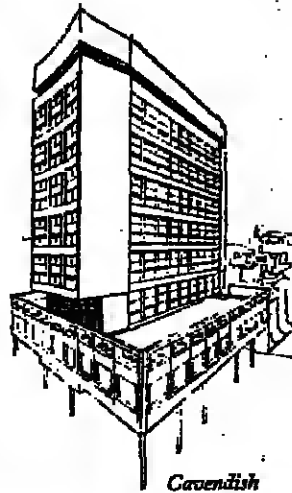
Sonesta Tower



Hertford



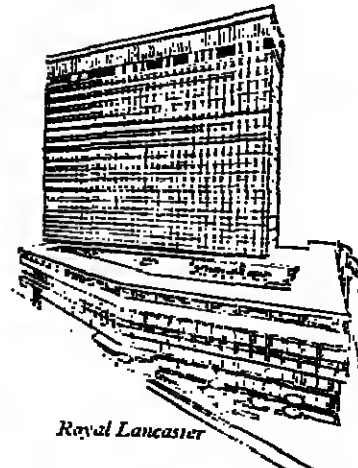
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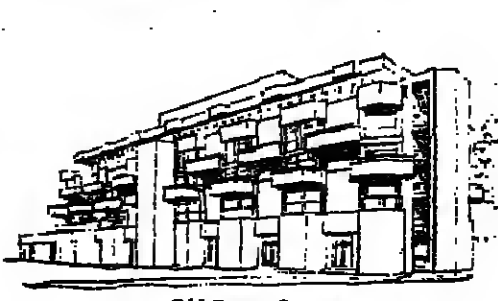
Royal Lancaster



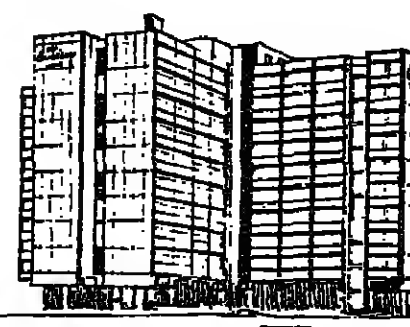
Gosforth Park



Excelsior London Airport



Old Course St. Andrews



Excelsior Glasgow Airport

From today you'll find a world of difference at London Airport.

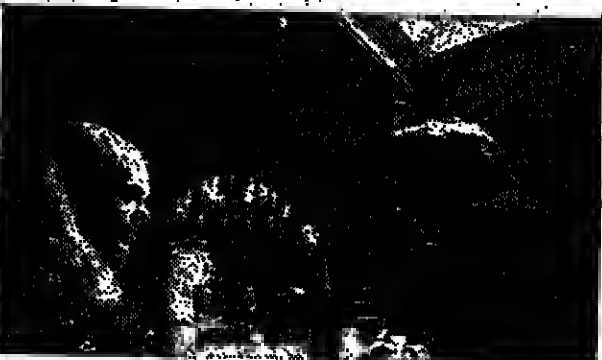
This morning we open Skyline London. Not another hotel, but a hotel so different it could have come from another world. And in a sense it did.

Skyline London has its foundations in Canada. Not literally of course. It's a 360 bedroom luxury complex planted quite firmly on Bath Road, 2 minutes from London Airport.

But quite frankly, it wouldn't matter where it was in concept, design and facilities, Skyline London is Canadian.

In fact, it's designed in such a way that you would hardly know you were in London, let alone at the airport.

The Colony Room.



Many of the bedrooms, instead of looking out onto the runways of Heathrow, face inwards, to the centre of the hotel. And that, as you can see from our picture, is a kind of huge Caribbean Potio.

This helps to make Skyline a more complete hotel. A totally created environment with everything provided, even a beautiful view.

Truly, another world.

Our Caribbean Potio contains a full-size swimming pool surrounded by giant palm trees and hundreds of exotic plants from Spain, Brazil and Africa. There are even two rather splendid banana trees which will soon be bearing fruit and helping us to cut our overheads.

All around the pool there are lounge chairs and low tables. And in, or on the pool (depending which way you look at it) there is a bar with service. The bar actually overhangs the pool so you can swim up to it and get a drink. We have even installed seats underneath the water.

The Colony Lounge.



Our new hotel specialises in luxury facilities. And, not least among them are the bedrooms.

Triple glazed for extra sound proofing, they are decorated in period style and carpeted with deep shaggy rug. Each room is equipped with colour TV, bath, shower and a new type of air-conditioning that provides warm or cool air instantly, all year round.

We also promise some very comfortable beds which we have had made 6" longer than standard.

Also, to help you relax, you'll find original pieces of wood painting on the walls and every room has a special system of diffused lighting. As well as ample storage space.

And while we're on the subject of relaxing, you might sleep a little easier knowing that our room service operates 24 hours a day.

After sleep you'll need food. And Canadians don't, as you might think, live on fried eggs,

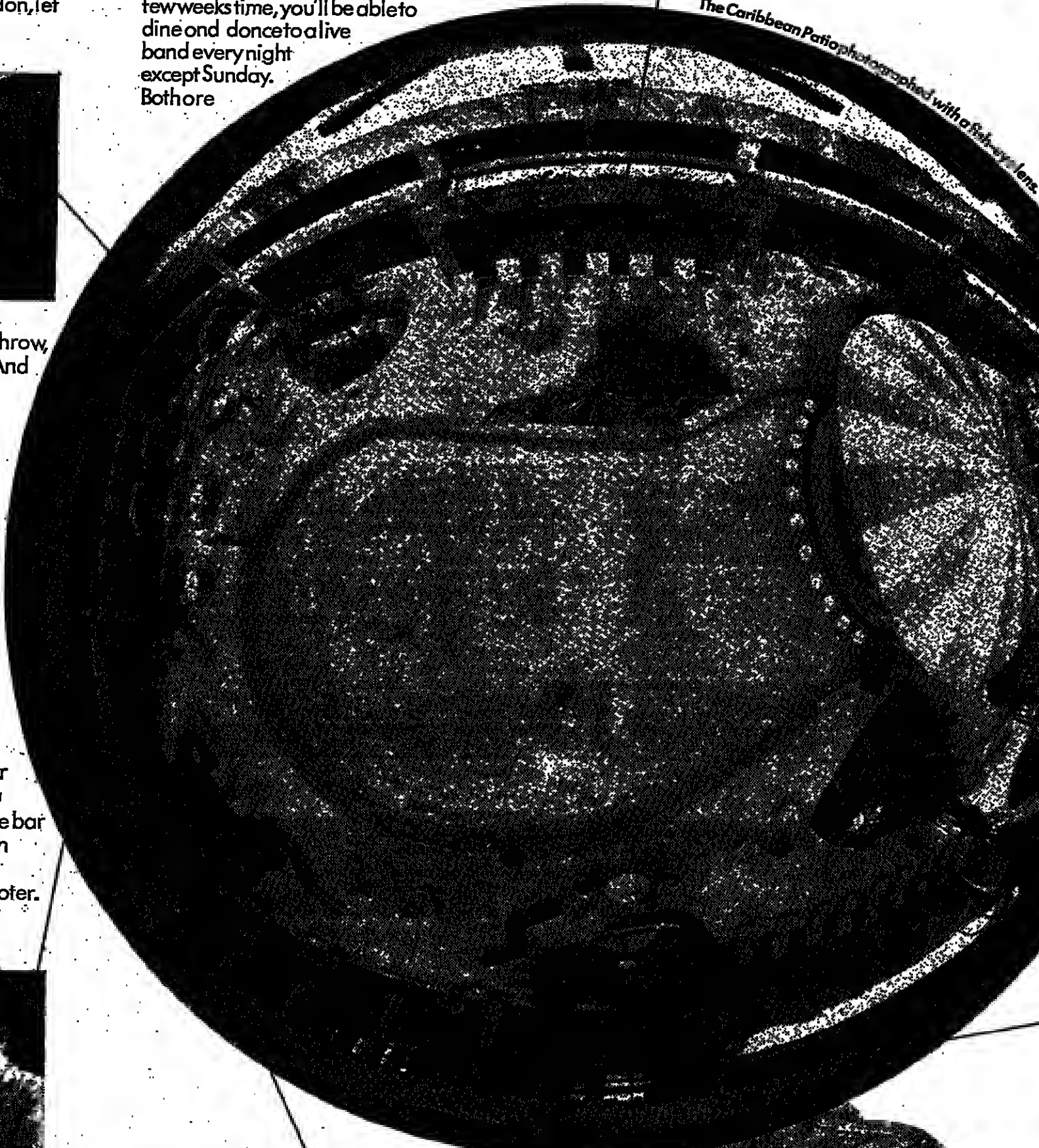
sunnyside up. Part of Canada is famous for its French cooking and we're part of Canada, so much of our food is prepared and served in the French manner. But we'll say no more. Words are not sufficient to describe good food. You'll have to try it for yourself.

Our restaurant is called The Colony Room which is pretty funny when you consider who's colonising whom. It's an intimate Edwardian dining room. Adjoining it there is a cocktail lounge where our barman will help you summon enough energy to reach The Colony Room. Where, in a few weeks time, you'll be able to dine and dance to a live band every night except Sunday. Both are

Le Cafe Jardin.



The Caribbean Potio, a swimming pool with a bar overhang.



1890's. Many years ago Lil brought good food, good clean fun and a lot of happiness to our miners.

We think she can do the same thing for London. Lil's set starts at half past eight every night. But if you come along at noon or supertime we'll serve you with slices from sixty pound hips of choice Canadian beef, fried potatoes, coleslaw, open-kettle baked beans with apple pie and good Canadian coffee to follow. Prices will be about the same as most London pubs. But we do have a few extras, including Men's Whiskey, Tenderfoot Whiskey and twelve kinds of draught beer.

A Conference Hall.



We've also made sure that Skyline London will be an ideal place for conferences and exhibitions. We have built in facilities for groups of ten to seven hundred. Just call our Sales and Catering Department and they'll give you all the details of the 7 conference halls and many other features which can help to make a successful banquet or convention.

We haven't mentioned much about service up until now, but we promise you that our service will be in keeping with that of a truly great hotel, for that is what we intend Skyline London to be.

Well, here we are on Bath Rd. Visit us and you'll find quite a few things we haven't told you about. For instance, there is another lounge, a sauna, a branch of the Bank of Nova Scotia, an Avis Rent-a-Car office, a flower shop, a beauty parlour and a barber's shop by Alan of Piccadilly (it's called Barbarello's and has some beautiful lady barbers).

A typical bedroom.



There will be a free continuous coach service to pick you up at the airport and free transport into town, from the hotel.

We have arranged regular transportation so that you can go into town for a show and be picked up afterwards. Or spend the morning sightseeing and get back in time for lunch.

We'll be happy to accept Skyline credit cards (yes, we have our own money too) as well as

Diamond Lil's.



open to the public as well as hotel guests.

As is Le Cafe Jardin, 24 hours a day you'll find light snacks and refreshments there and in licensing hours a drink.

Here the executive, midnight nibbler will find ample repast.

But perhaps the most remarkable thing to find in any hotel in Britain is a constant source of entertainment.

Particularly entertainment of our kind.

We found a historic saloon in the north of Canada, took it apart and brought it to Britain piece by piece. And now, in Skyline London we

have a complete reconstruction of 'Diamond Lil's'. Here you'll find many authentic fixtures from the Gold Rush period and of course your hostess Diamond Lil.

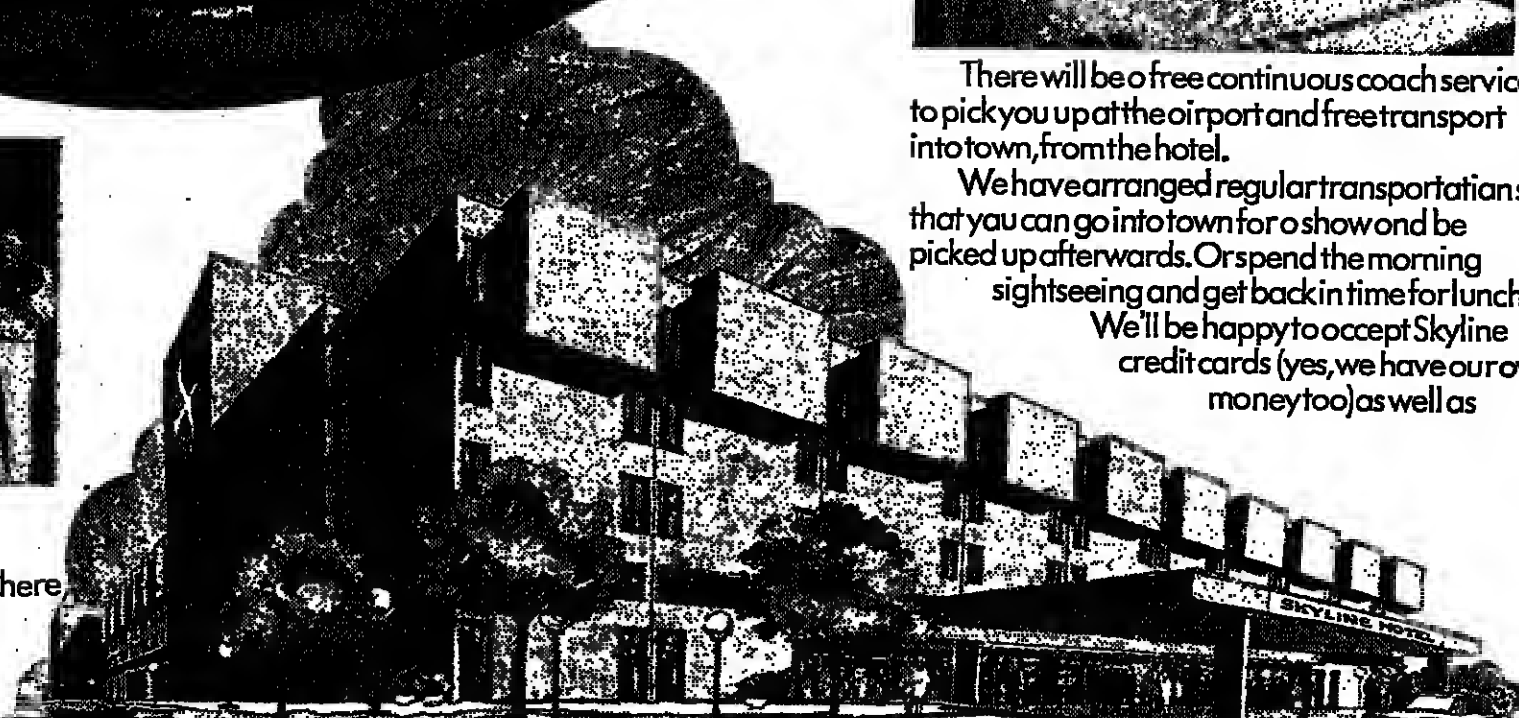
Along with Lil, we also brought to Britain her five-piece band who specialise in songs from the

honouring American Express, Diners Club and Barclaycard.

Our telephone number is 01-759 2535.

Our Telex is 934254.

Come along and see us. You'll find a world of difference.



THE SKYLINE HOTEL

It's another world



Skyline Hotels. The Canadian Chain. Brockville, Montreal, Ottawa, Toronto, Kingston (Jamaica) and London.

SKYLINE HOTEL IV

Building follows well-tried methods

By ANDY McELROY

Although it was opened officially only yesterday, the Skyline London hotel in Bath Road is already a familiar landmark in the area.

Partly, this is because of its distinctive design and the unusual pink colour of the external walls, which immediately attract the eye. Although its overall shape may be less unfamiliar than that of the neighbouring Ariel Hotel, its design still represents a radical departure from traditional buildings.

Both inside and out, the hotel's unconventional, and through-

carried out by the internal project group of Skyline Hotels, who throughout the construction have worked closely with the architects, engineers and contractors.

Structurally, the building follows well-established constructional techniques that McAlpine has developed over many years of building first-class hotels. Among previous hotel contracts that the company has completed in London are the Royal Lancaster, the Inn on the Park, and the Sonesta Tower.

Mass concrete foundations

are used, supporting a reinforced concrete frame up to first-floor level. These foundations were designed to be strong enough to take additional floors when it became necessary to increase the capacity of the hotel, while the concrete frame forms a rigid box base for the floors above. The upper floors use load-bearing brickwork clad with precast panels.

These panels illustrate in a tangible fashion the increasing care that architects are taking to make buildings appear interesting as well as functional. Not so many years ago it was standard practice to use large areas of unrelieved smooth concrete as facings, but now there are few buildings going up where the architect has failed to make good use of contrasting textures on the exterior and interior walls.

Cladding panels

On the outside of the Skyline Hotel the cladding panels have a red granite finish, some of them being smooth, while others have exposed aggregate to give visual interest. Inside the building, the pillars have the same treatment, and they blend extremely well with the polished appearance of the furniture and interior walls.

Internal walls are mainly finished in "Old English" and stippled plaster, although in the public areas extensive use is made of wood panelling or, in the restaurants, wall coverings which reflect the character of the room. For example, in the Regency restaurant the walls are panelled in red with smoked oak framing. In the Diamond Lil bar, extensive use is made of specially commissioned murals reflecting the days of the Klondike gold rush.

What is evident throughout the whole building is the high standard of workmanship down to small details. Even on the service staircases and staff lifts, the quality of materials and finish is extremely high. While

Part of the interior of the Skyline Hotel.

this is to be expected in those parts of the building that are open to the public, it is unusual to find it being extended to "below stairs."

Obviously this hotel has not been built with an eye to cost cutting. At the risk of highlighting one feature excessively, the Diamond Lil restaurant has been fitted out with authentic beams and fixtures shipped across the Atlantic from Canada. It would have been comparatively easy for the architects to have specified, for example, reproduction carvings, but both they and the owners were prepared to stand the extra expense needed to ensure absolute authenticity. It is difficult to imagine a circumstance in which mock carved wheels would have been exposed as fakes, other than those that are portrayed in the more violent bar-room scenes depicted in films about the period.

Chandeliers are a feature of the ballroom, but here they are of the formal crystal type, although in design they are completely modern. This room is one of five function rooms in the hotel, capable of taking parties from 10 to 500 and catering for anything from a small private luncheon to a full-scale conference or formal dinner. In this, the Skyline London follows the pattern set by the other hotels in the chain, which make a speciality of conferences and conventions.

The ballroom itself incorporates several features that simplify conference arrangements. For example, it can be divided into three sections quickly and easily by sound-proof doors, and since there is no weight restriction on the floor, heavy vehicles and equipment can be brought in for demonstration.

Communications, in every respect, is one of the apparent strong points of the hotel. Naturally, each room has its own telephone, but there is also a plentiful supply of staff telephones in each section of the building. In addition, a pneumatic message system by Bagshawe of Dunstable means that messages can be sent from one department to another with no risk of ambiguity, as can often happen on the telephone.

Planning stage

From the contractor's point of view there is no doubt that this was a demanding contract, and it is gratifying that McAlpine and the many sub-contractors have been able to finish it so well and within the specified period. Already, with the paint metaphorically hardly dry, the company is negotiating for substantial block bookings for accommodation fully justifying Mr. W. R. Hodgson's decision to start work on another two floors in May, 1972.

This will increase the accommodation to 600 rooms, a figure

that was arrived at while the hotel was still in the planning stage. Quite simply, these floors will be set on top of the existing structure, and all the services have been designed to cope with the extra load.

This extension should be an interesting exercise in its own right, especially as it must be done with minimum disturbance to the guests. By the time work begins, the hotel should have established its reputation, and it will be necessary to put up the structure, extend electrical, heating and air-conditioning systems and take the shafts and mechanisms for the six lifts up to these floors without creating the impression that guests have booked into the most elegant building site in London.

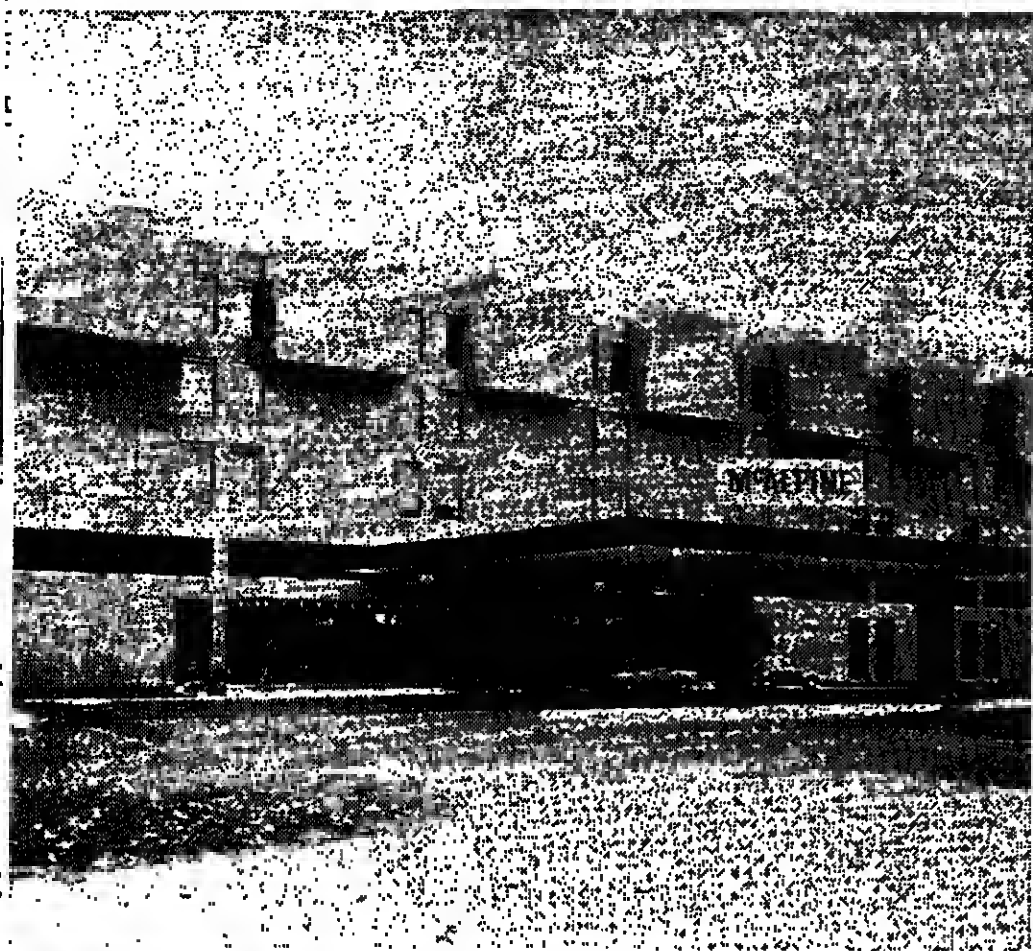
But this can be done, as Mr. Hodgson and his team have already shown. On Friday, October 15, the company will be opening an extension to its Toronto hotel which includes, among other things, an extra 166,000 square feet of convention space. This is characteristic of the group establishing an hotel that is in one sense finished, but capable of being extended without losing its integrity as demand warrants it. This is a process that has been going on ever since the first hotel was built, then a mere 20 rooms, and Mr. Hodgson states that the aim of the company is to grow, either by new building or extension, every 18 months or world.

Much of the credit for the success of the policy must go to the company's architects, the Ronald Fielding Partnership, since the problems involved in designing for vertical rather than horizontal growth are formidable. However, in the initial stages any such policy must stand or fall by the quality of the project team which is able to envisage not only the primary unit but the needs of future business and the way in which it can be accommodated.

Despite all its unusual features, the most outstanding thing about the Skyline Hotel is the calibre of the people associated with it, at every level.

As far as London is concerned, the next venture is not far off. Within the next year, the company will start work on another hotel in Knightsbridge, which will reflect the same standards of construction and comfort that prevail throughout the chain.

If the Skyline Hotel demonstrates anything, it is that, given a strong enough motive, it is possible to combine comfort with elegance, service and unstuffiness, and tradition with architectural merit. London is the home of many of the world's finest hotels. Skyline bears comparison with all of them. Of course, it is different, but it displays a flair and panache that are matched by only a very few hotels throughout the world.



A view of the outside of the Skyline Hotel.

Heathrow: just another place where Capital & Counties have improved the skyline.



The new 360 bedroom Skyline Hotel at Heathrow is just one of a series of new developments built by Capital & Counties Property.

All told, Capital & Counties now own prestige property around the world to the value of £120 million. Including developments in Europe, Australia, Bermuda and Singapore—as well as the UK.

And the future looks even better.

In the UK alone, Capital & Counties currently have in hand a large shopping centre in Nottingham,

a city-centre development in Newcastle, an office-shops-hotel complex in London's Strand, and a new hotel in Knightsbridge for Grand Metropolitan Hotels. To name but a few.

In fact, Capital & Counties' development programme over the next five years totals some £157 million.

Which means a lot more skylines will be changing for the better.

Just watch and you'll see for yourself.



Capital & Counties a developing property company

هتل سکیلین

COMPANY NEWS + COMMENT

Sears first half profit expansion

FIRST HALF group pre-tax profit of Sears Holdings expanded from £1,161,000 to £2,068,000 and the net attributable balance advanced from £1,776,000 to £2,718,000.

The outcome of the full year is largely dependent on the course of retail trade during the next few months. The directors are confident, however, that, in the absence of unforeseen circumstances, aggregate attributable profits will show a satisfactory improvement on the £1,950,000 of the year to January 31, 1971.

A dividend of 3p 14.16p equivalent per 25p share has already been forecast for the current year.

| Six months | 1971 | 1970 |
|--------------------------|---------|---------|
| Trading profits: | | |
| Departmental stores | 4,907 | 3,801 |
| Engineering | 4,147 | 1,722 |
| Motor vehicle | 618 | 230 |
| Jewellery, etc. | 151 | 21 |
| Stores | 1,239 | 1,148 |
| Total trading profits | 11,062 | 6,922 |
| Net interest payable | (2,621) | (2,774) |
| Group profits before tax | 8,441 | 4,148 |
| Estimated tax | (2,500) | (1,250) |
| Net profit | 5,941 | 2,898 |
| Minority holders | (800) | (400) |
| Attributable | 5,141 | 2,498 |

Figures 1970 adjusted for subsequent acquisition of land and minority interest in British Shoe, and reductions in rates of corporation tax applicable to year ended January 31, 1971. Minor profit of £100,000 of retained losses arising from closure of certain branches.

Trading in the departmental stores suffered from disturbances arising from major building or re-organisation works at Selfridges and at several of other stores. The directors state they are satisfied with the results of the other activities of the group, having regard to the conditions experienced.

Increased first half profits are announced by subsidiaries. British Shoe Corporation and Sears Engineering.

British Shoe net profit was £2,077,000, against £2,815,000, after tax of £2,423,000 (same-adjusted) and interest payable £743,000 (£433,000).

Sears Engineering reports a net profit of £2,229,000, compared with £1,908,000, after tax £1,730,000 (£1,411,000) and interest £603,000 (£503,000).

Statement Page 29

See Lex

Park Cake looks to next year

PRE-TAX profits of Park Cake Bakers for the current year should enable directors to at least maintain 14 per cent. on capital to be increased by a two-for-five rights issue, chairman Mr. H. D. Leete tells members.

In the slightly longer term—namely 1972-73—a turnover in excess of £10m. will be budgeted for.

An reported on September 14, group profit, before tax, for the year ended June 30, 1971, advanced by £17,240 to £202,513, from turnover up by £1,036,739 to £7,447,761. The 14 per cent. dividend is an increase of 2 per cent.

An analysis of turnover and profit indicates that the group's product lines and restaurants are doing well. Sales of £2,640,540 and £260,574 respectively, and £161,561; motor engineers and motor bodybuilders £15,229,863 and £233,334; group's philosophy is now to maximise assets and earnings in specialising in metal detection such as equipment £58,245 and loss £3,054 (£15,474 and loss £4,881). Cor-related containers £200,040 and £22,106 (£231,312 and £20,763); companies off. With at least nine major acquisition pending in the last category, forecasting could prove very misleading. Nevertheless, the annualised pre-tax profits of between £200,000 and £300,000 seem possible given, after a substantial increase in earnings, a normal tax charge. At 118p, the share could prove an attractive new bakery which will specialise in a large proportion area together with all ancillary services.

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| Bristol Street | 25 | 3 | 24 | 3 | 24 |
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| Duckham (Alex) | 24 | 1 | 24 | 3 | 24 |
| Enots | 25 | 6 | 24 | 1 | 24 |
| Felixstowe Dock | 24 | 5 | 25 | 4 | 25 |
| Gaskell & Chambers | 24 | 4 | 24 | 1 | 24 |
| G. & M. Power | 25 | 7 | 25 | 3 | 25 |
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This project, planned to complete before June, 1972, will cost about £500,000 and the Board is requesting holders to approve an increase in capital to enable the rights issue to be made in due course.

The group's principal customer is Marks and Spencer. Meeting, Oldham, October 27, 3 p.m.

Hestair recovery progress

THE DIRECTORS of Hestair are satisfied that losses have been eliminated and considerable progress made in redeploying resources in areas of greatest potential, says chairman Mr. David Hargreaves in his interim statement.

Negotiations are currently taking place for a number of acquisitions which would complement existing activities, he adds.

There is no interim dividend declaration for the current year, but the annual rate of profit of the group as constituted following closures and disposals will, the directors consider, enable a recommendation for the year. For 1969-70 there was a 2 1/2 per cent. interim but no final—net loss of £65,812 was incurred.

First-half 1970-71 profit of £3,550, after bank and debenture interest of £33,850, is reported—in view of the previous loss it is not considered that profits will incur a tax charge.

Mr. Hargreaves points out that as the current year has been one of considerable change the results have little relevance to the present situation and comparative figures are not shown.

On August 27 last, the sale of Flexspring Engineering was completed for £50,000 cash to Blacksters (Engineers), owned by Sir Norman Watson and Capt. G. A. Lincham, former directors of Hestair. On October 31, 1970, Flexspring had net tangible assets (excluding inter-group debts) of £21,425 and in the six months to April 30, 1971, made a pre-tax profit of £3,551.

comment

Hestair's new management has revamped the group with a vengeance, considering that only two of the original eight or nine trading subsidiaries have been retained and three new acquisitions added to date. Simply, the group's philosophy is now to maximise assets and earnings in specialising in areas of growth as specialist vehicles, agricultural engineers and leisure with an eventual view to floating the company off. With at least nine major acquisition pending in the last category, forecasting could prove very misleading. Nevertheless, the annualised pre-tax profits of between £200,000 and £300,000 seem possible given, after a substantial increase in earnings, a normal tax charge. At 118p, the share could prove an attractive new bakery which will specialise in a large proportion area together with all ancillary services.

Demand is still increasing and directors have decided that if anticipated sales are to be maintained, a new programme of development is required. Plans are being prepared in build and equip a new bakery which will specialise in a large proportion area together with all ancillary services.

present Ordinary capital, with a limit of 1 per cent. for any one executive. On the basis of the present issued capital of 192,257 shares would be immediately available for offer under the scheme.

Extraordinary meeting, Peterborough, October 28 at 10.30 a.m.

Gaskell & Chambers forecast

AN INTERIM dividend of 2 1/2 per cent. is declared by Gaskell and Chambers (Holdings) in respect of 1971 and the directors hope to recommence regular dividend payments from this amount. For 1970 there was a 5 per cent. interim, but no final.

Excluding contract joinery, group profit, before tax, amounted to £273,000 in the six months ended June 30, 1971. After tax, etc., and contract joinery losses of £385,000 there was a net loss of £112,000.

The directors state that the engineering and furniture manufacturing subsidiaries have "substantially improved" profitability since the year ended June 30, 1970. Due to the seasonal nature of markets for engineering equipment, second half profits, as in 1970, are not expected to reach the same levels, but trading is satisfactory to date, they report.

In the contract joinery company, they say it became clear that substantial losses were continuing and would increase due to rapid cost escalations and the depressed state of the market. In view of this it was decided to wind up this subsidiary. The contract joinery result includes provision for reappraisal of the outcome of existing contracts and all foreseeable operating losses for 1971 and those that will be incurred in 1972 in completing contractual commitments.

comment

Felixstowe Dock's 1970-71 accounts are of interest, if only because they give a detailed breakdown of the company's profit sources for the first time; the cargo handling side, for example, lifted operating revenue by an impressive 27 1/2 per cent. while at the same time costs were proportionately reduced. It is also noteworthy that the tax equalisation provision in the profit and loss account effectively wipes 10p off earnings per share—from 22 1/2p to 12 1/2p—and raises the p/a at 200p from under 10 to nearer 17 1/2. However, the group is set to expand considerably its container handling activities over the next couple of years, finishing in 1972, and a more immediate prospect is a fund raising exercise which appears all the more certain with the appointment of Schroder Wagg as financial adviser. This is likely to remain a cloud over the share price until the size and nature of any such operation are known.

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DIVIDENDS ANNOUNCED

| Company | Current payment | Date of payment | Corre- div. | Total for year | Total last year |
|-----------------------|-----------------|-----------------|----------------|-------------------|-----------------------|
| Bristol St. Group | 10 | — | 10 | 30 | 30 |
| British Debt Services | (f)35 | Oct. 29 | — | 44 | 81 |
| Bruntons | 12 1/2p | — | 2 1/2p | — | — |
| Enots | 10 | Nov. 1 | 5 | 15 | 15 |
| Gaskell and Chambers | (e)22 | Nov. 1 | 5 | 27 | 28 |
| G. & M. Power | 18 1/2 | Nov. 1 | 1 1/2 | 20 | 20 |
| Grand Central | 6 | (c)1 | — | 6 | 7 |
| Hestair | Nil | — | 2 1/2 | — | 2 1/2 |
| Jefferson Smurfit | 8 1/2 | Jan. 1 | 7 1/2 | (d)23 1/2 | 3 |
| Lewin Sissal | 3 | Dec. 2 | 3 | 3 | 3 |
| Oliver Rix | Nil | — | 5 | — | 5 |
| Wombwell Foundry | 10 | Nov. 23 | 12 | 18 | 17 |

* Equivalent after allowing for scrip issue. † Amount per share.
(a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) Payable upon receipt of remittance from Ceylon. (d) For 15 months. (e) Minimum 2 1/2 per cent. final forecast. (f) Made public January, 1971. Period 41 weeks.

chairman of the Liverpool Stock Exchange; Mr. Eric Guthrie, director of Royal Insurance Company; Mr. Geoffrey Heywood, senior partner of Duncan C. Fraser and Co., Liverpool firm of actuaries; Mr. Geoffrey Tiltott, recently chairman of Tiltott and Son, packaging manufacturers of Bolton and Liverpool; and Mr. John Bates, merchant bankers and former Member of Parliament for the West Derby division of Liverpool.

The nominations have been made by those directors appointed by the Secretary of State for the Environment—Mr. John Cuckney, Mr. D. G. Emerson (chairman of the Mond Division of ICI) and Mr. P. J. Butler, partner in accountants Peat Marwick Mitchell. Sir Matthew Stevenson, the present deputy chairman, has said he will not be available for re-appointment because of other commitments.

Giving these details in a circular, Mr. Cuckney points out the necessary quorum at the meeting shall be holders or representatives by proxy of "a clear majority in nominal amount of the outstanding debenture stock" and he urges debenture holders to share submit proxies whether or not they intend to be at the meeting.

comment

It has been clear for some time, with the shares floundering way below the 1970 peak of around 125p, that the market has lost its confidence in Benson's Hosiery. The fact, then, that Benson's is now revising its earlier forecast of at least a 62 per cent. jump in second half profits to a slight shortfall must make its task to move back up the ladder that much harder. Steps have now been taken to put these problem companies back on the right path but in view of the current climate the market is bound to wait for definite evidence of recovery. This leaves the shares at 35p on a prospective p/e of 10 1/2 with all the cards stacked against them in the short-term.

Encouraging outlook at Court Bros.

TURNOVER and profits of Court Bros. (Furnishers) for the current year so far compare satisfactorily at home and overseas with the same period last year, chairman Mr. A. S. Cohen, tells members.

Subject to unforeseen circumstances satisfactory results will again be achieved this year," he says.

IN THE light of information which has only now become available, Benson's Hosiery (Holdings) says that, due to exceptional circumstances, the May last profit forecast will not be met.

In the May particulars of a rights issue of a 10 per cent. convertible Unsecured Loan stock it was stated that the directors expected group profits during the second half of the year ending July 31, 1971, to exceed those in the first half and by implication, pre-tax profits for the year were expected to be not less than £625,000.

But based on preliminary unaudited accounts it is now evident that profits will be in the region of £500,000 to £550,000 compared with £496,413 for 1969-70. The shortfall against the forecast is entirely attributed to losses on the first half and by implication, pre-tax profits for the year were expected to be not less than £625,000.

The hosiery companies and L. E. Klog (Sales) will contribute profits of approximately £750,000 (£430,000).

The loss in Marketing Incentives is approximately £100,000, compared with £50,000 greater, than expected, largely due to exceptionally low sales in the last two months as a major promotion planned for June did not commence until late July. Losses were further aggravated by provisions against stocks of promotional items not utilised.

The loss in Modern Childwear is approximately £30,000 due to very low sales during its first year of operation, while that in Studio Cosmetics will be in the region of £70,000 to £120,000 subject to verification of certain stocks and export duties, in which

comment

Grand Central Investment Holdings (rubber and tea) announces a reduction from 7 to 6 per cent. in dividend for 1970, payable upon receipt of remittances from Ceylon.

Group profit contracted sharply from £400,000 to £298,282, subject to tax of £73,700 (£138,015).

Jefferson Smurfit well ahead

DESPITE PRESSURES on margins and increasing costs, Mr. J. J. Smurfit, chairman of the Jefferson Smurfit Group, is confident that the current year outcome will show a satisfactory increase on the previous annualised profit figure of £520,000.

From gross sales up by 18.7 per cent. to £9,338m., profits, before tax, in the six months ended July 31, show an advance of £101,718 to £482,780; and the outlook for the second half is considered favourable.

However, the chairman points out that the level of demand in the Christmas period has 3 marked effect on many group companies and this can be significant in relation to their overall figures for the year.

The interim dividend is raised from the equivalent of 11 pence to 8 1/2 pence, the directors say. The Committee set up to examine the possibilities of acquiring the private company in England controlled by the Smurfit family has reached agreement in principle. Certain details have

comment

Jefferson Smurfit expects to maintain the first half's 24.7 per cent. pre-tax growth rate for the whole of 1971-72. This suggests earnings of 7.3p per share compared with an annualised figure for last year of 7.4p on the latest capital, and the improvement would have been more pronounced had the higher tax charge at 50 per cent. The packaging division, which already makes the largest contribution to both turnover and profits, continues to offer the best growth prospects, though there are a few problem areas left to tackle—mainly in the retailing section. On a prospective 13 1/2 p/a at 109p could be on the side of caution.

Statement Page 29

ISSUE NEWS

VAUX & ASSOCIATED BREWERIES

Vaux and Associated Breweries has received notices for the conversion of £2,000,000 7 per cent. Convertible Unsecured Loan stock, 1990-95 requiring the allotment of 722,017 Ordinary £1 shares.

EATON CORP.

The £80m. 7 1/2 per cent. debentures due September 15, 1998, in Eaton Corporation have now been sold. The debentures were issued through an underwriting group headed by Messrs. Lynch Pierce Fennier and Smith.

BRISTOL PLANT

The directors of Bristol Plant announce that about 95 per cent. of the recent rights issue had been taken up. Applications for excess shares totalled 1,294,731, which are allotted on the following basis: up to 100,000, 10 per cent. with a minimum of 10,000 shares, or allocated in full if less than 10,000 shares, while in excess of 100,000 shares—about 8.8 per cent. of application.

DORSEY CORP.

The 321,107 shares of Common stock (\$0.50 par value) in The Dorsey Corporation have now been sold. The issue was underwritten by a group headed by Halgarten and Co.

OIL AND ASSOC. INVESTMENT

Oil and Associated Investment Trust announces that applications were received for about 82 per cent. of the recent rights issue. Excess applications totalled 577 for 313,991 shares. These have been allocated on the following basis: up to 3,000 in full; above 3,000 about 65 per cent.

CHARTERHOUSE

The Charterhouse Group announces that notices of surrender of conversion rights in respect of £45,550 of 7 per cent. Convertible Unsecured Loan stock, 1990-95 were received during the third surrender period (September, 1971). This amount of stock has therefore been redesignated 10 per cent. Unsecured Loan stock, 1978, and application for its quotation has been made.

TAYLOR WOODROW

The Board of Taylor Woodrow propose to make a scrip issue on the basis of one-for-five. Profits for the current year are expected to exceed those for 1970 and the directors see no reason why a final dividend of 4.125p should not be maintained on the increased capital.

LONDON & MIDLAND INDUSTRIALS

The directors of London and Midland Industrials announce that

UNIT TRUSTS

RELIANCE PROPERTY FUND REPORT

The first report of the Reliance Property Fund, launched in September 1970, covers the period September, 1970, to July 31, 1971. At the time of the fund's constitution, the assets of the initial portfolio were valued at £10,000 and divided into units of £1 each. At August 31, 1971, the units were valued at 106.5p which shows a rate of increase of 6.5 per cent. per annum net after all deductions—equivalent to 11.5 per cent. per annum gross.

The growth in capital, however, relates to the revaluation of only half the properties which were revalued during June and July. The remaining properties being due for revaluation at intervals between September, 1971, and April, 1972.

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Y LESLIE PARKER, MINING EDITOR

iron ore potential of 180m. averaging an average 68 per cent has now been calculated to be over 400 feet at the World War prospect in Western Australia of Northern Mining Corporation. The Mitchell Cotts has a stake of 18.6 per cent company and a further 6.6 per cent through its subsidiaries; in the event of all is being exercised the revenue interests would rise to 25 per cent and 15 per cent.

The Japanese iron ore technical assistance program with NMC pals, but the company has secured a long range market arrangement. Exploitation of deposit would require some kind of rail facilities.

At present, NMC is hopeful that imminent assistance may be needed for this infrastructure.

The company's other expansion projects include a steel mill at Canton on the Bremer river South Australia has assayed some copper over a tree of 75 feet. Located on good grade and promising rail link to the open-cut copper project of Broken Hill South.

1971, and consequently that company became its subsidiary on October 1.

Mining News

RENISON—12 weeks to September 1971. Grade ore treated 96,977 tons. Tin concentrates 50 tons, recovery rates 88.9 per cent.

NEW BROKEN HILL.—

| | 12 weeks to Sept. 10, |
|-------------------------|-----------------------------|
| Ore milled (tons) | 365,319 288,198 |
| Lead (tons) | 283.33 11,889 |
| Silver (ozs) | 10,470 1,885 |
| Zinc (tons) | 37,297 38,794 |

BANLOW RANG GROUP—Caterpillar output for September full figures in metric tons, Dariusz Colliers Van Dyk Drift 61,648, Weischedel Exploration's Uchegra section 4,723, Zambou section 38,374.

ANGLO-AMERICAN CORPORATION—September full figures in metric tons, Langedal Colliers 483,274, Attoh Collyer 61,949, Blesbok 45,283, Cronje 153,132, Inverness 6,907, Newland 73,593, 250,242, Sprinbok 171,523, Sprinbok 150,242, Verwoerd 196,888, Vryheid 65,588, Coke 13,817, Zolagun 21,164, Grand Stand total 3,639,226 (August 1,638,706).

PANANGI CONSOLIDATED—September: Lead tin concentrate produced and sold 286 metric tons (August 198 tons),

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

“RIGHTS” OFFERS

| Unit | Label | Stock | Closing Price | % chg |
|------|-------------------|-------|---------------|--------|
| P. | Restel Plant | | 14 | |
| Aut | Christi & Sons | | 12 1/2 | -1 1/2 |
| Aut | Camel | | 5 1/2 | |
| Aut | Danon Farms | | 16 1/2 | -5 |
| Aut | Levitt & Levent P | | 2 1/2 | |
| Aut | McIntosh Bldg | | 2 1/2 | 00 |

[illegible]

BOARD MEETINGS

Growth forecast by AGB

AGE RESEARCH chairman, Mr. Martin Madden, told yesterday's annual meeting that the first four months' trading "confirms my confidence that 1971-72 as a whole will prove another year of substantial growth."

He said it was a year of opportunities and "they are opportunities for which we have been preparing and we shall take full advantage of them."

Mr. Madden said AGE was also making steps to ensure that the group shared in the profitable development of market research in the Continent.

He added: "The provision of management services to industry in which market research is an important element, is an expanding field of activity in the advanced economies on either side of the Atlantic."

Meeting Para 22

Major orders totalling over £2m. were announced by Mr. H. A. Holliday, chairman of Hellyday Group, electrical engineers and contractors, at the annual meeting.

After referring to his annual statement, in which he said the company had received several long-term contracts which he anticipated would form a satisfactory basis for 1972-73, Mr. Holliday observed that this trend had continued.

"Therefore I expect the progress of the company will be maintained," the chairman told shareholders.

ALL indications point to the current year showing a further increase in profit of Second City Properties group, states chairman, Mr. W. L. Jobernus.

As reported on September 28, the pre-tax profit for the year ended April 30, 1971, was \$336,989 (\$311,866) with a dividend of 15 per cent. (13½ per cent.).

The property investment side continues its forward movement, the chairman reports. Second City House, Edmund Street, Birmingham, is complete and Mr. Jobernus hopes that at the annual meeting he will be able to confirm that legal formalities in respect of the letting to a sole tenant have been finalised.

With such letting the investment income will be in excess of \$50,000 in a full year and in addition, rent revisions of other properties will be taking place which will increase this figure from time to time.

He is satisfied that continued expansion of the activities of the private house development division will gain momentum and is rewarding. Since the year-end further stocks of land have either been acquired or options obtained, purchase, in order that growth will not be impeded.

Meeting, Birmingham, October 1 at 11 a.m.

The Board of Bruntons (Musselburgh) says that although there is no sign yet of a general upturn in demand for steel products and in some sections the plant continues to operate below capacity, it seems likely that results in 1971 will be near to those achieved last year and will allow the higher 8½p dividend to be maintained.

Meanwhile the interim is an unchanged 2.5p per 25p share. Trading profit to the end of August was virtually the same as the first eight months of 1970 sales up in value by 3½ per cent, the directors report. A fall in pre-tax income has however reduced the total profit by almost 50 per cent.

Samuel Montagu & Co. Ltd, 114 Old

Statement Page 29

PRE-TAX PROFIT, before SET, of National Sunlight Landries Inc. for the half year to June 30, 1971, was \$245,615 or \$208.615 and after SET it was down from \$23,049 to \$77,070. The net figure was \$62,426 (\$79,249).

EMU WINE

Against a corresponding period of £5,897 Emu Wine Holdings reports a pre-tax profit of £27,624 (£23,049 to £77,070). The net figure was £52,426 (£79,249).

CURRENT RETURNS of agricul-

For the year 1970 an interim of 5 per cent, costing £11,394 was followed by a final of 21½ per cent.

119 COMPANIES

FAIL A High Court judge ordered the compulsory liquidation of 119 new range of valves just announced, will be followed by further additions now in the last stages of development, the direc-

companies out of 208 listed
him in the Companies

Many of the orders were made on petitions presented by the Inland Revenue for arrears of tax, or by the Department of Health and Social Security for unpaid insurance contributions.

| Year | Actual (%) | Projected (%) |
|------|------------|---------------|
| 1950 | 7.0 | 7.0 |
| 1960 | 8.0 | 8.0 |
| 1970 | 9.0 | 9.0 |
| 1980 | 10.0 | 10.0 |
| 1990 | 11.0 | 11.0 |
| 2000 | 12.0 | 12.0 |
| 2010 | - | 13.0 |
| 2020 | - | 14.0 |
| 2030 | - | 15.0 |
| 2040 | - | 15.0 |
| 2050 | - | 15.0 |

but c

Samuel Montagu & Co. Ltd, 114 O

location and disruption of trading operation and it showed a loss of £159,496.

Following the change of premises, the Oldham Street property has now been taken over by Liverpool Corporation and is being agreed.

A SECOND-HALF recovery by Enats pushed profits up from £12,050 to £33,680 for the year to July 31, 1974, after a first-half loss of £12,250.

The directors predict a further rise for the current year.

For the half year to June 30, 1971.

The Board stresses that first half results are not indicative of the true picture for all the year.

1970 profit was £31,374. Ennu is controlled by Chaplin Holdings.

Mr. J. H. Black, chairman, says it is hoped that in the second half a certain measure of recovery will be achieved. He said that the main reason for the rise in the interim distribution. An unanchored margin of 3 per cent. has already been declared. The 1970 total was 21 per cent.

Bold Street property is being sold and it is anticipated that overall profits from disposals will arise in the second half of 1971.

Any such profits are of a capital nature and will compensate the group for its loss on the sale of its investment in A. C. Bonjlett.

The other main management problem occurred in the commercial vehicle division which lost £720,000 as a result of a sudden and severe recession in the transport industry, which gave rise to lack of sales volume and inadequate markets.

The transport divi-

The dividend is maintained at 15 per cent, with a final of 10 (7) per cent, following a 3 per cent cut in the interim.

Net profit for the year was £197,680 (£187,050) after tax of £138,000 (£125,000). Turnover declined from £3,279,438 to £3,122,498.

The method of valuing stock and work has been changed and has given rise to a transfer to reserve of £618,079.

It is not at present possible to estimate with precision the amount of tax liability, if any, which might arise from the

**Progress
by G & M
Power**

IN THEIR INTERIM report the directors of G and M Power Plant say they remain confident that the current year's profit will exceed the £160,283 achieved in 1970.

Turnover for the first half increased by 3.6 per cent, but capacity for work has not only been increased, but greatly improved, due to internal cost economies.

The rise in the cost of all raw materials has been very high and indicates that the basis will have to be adjusted to meet the new conditions the chairman adds.

Western

Credit expansion

THE CHAIRMAN of Western Credits Holdings, Mr. H. N. Spenghorst, says every hope "of further improved" profits in the current year.

The lifting of ceiling controls will, he points out, enable the group to expand business for the first time in many years and he believes the group's reorganisation effort "will do this quickly and profitably."

The banking subsidiary has changed its name to Western Trust and Savings and will shortly launch a series of new savings and lending plans.

As reported on August 27 group pre-tax profits for the year to

change but £285,000 has been set aside for tax on this transfer of assets. The directors say they have no reason for thinking it is likely to exceed that amount.

The application of new basis of taxation at the beginning and end of the period ended August 1, 1970, would have had the effect of increasing the group's profits by £27,385 before tax, it is stated.

The past year was a difficult one caused by the general lack of confidence within the engineering industry to invest in capital projects and plant renewal. The second-half recovery measures have been successful.

While no basis is seen for great optimism in the present trading period, current sales have now levelled off and the directors say the effects of recent Government action will probably lead to sales rising in the second half of the year.

A rise in turnover for the year has been predicted and with the factory expansion, profits should increase.

The interim dividend is being raised from 12½ per cent. to 13½ per cent., a one-for-two scrip issue is proposed and a dividend of not less than 10½ per cent. is forecast on the increased capital—equal to the 18½ per cent. paid on the present capital for 1969.

In the six months ended June 30, 1971 profit amounted to £30,975 compared with £34,641 in the corresponding period of the six months of 1970, before tax of £30,956 (£34,990).

"The continued progress" reflects some of the increasing business and the management plan plus the penetration being achieved in new markets, state the directors.

An additional acre of land with modern factory premises adjoining the existing premises has recently been purchased for £100,000. This will ensure logical and economical growth of facilities commensurate with planned future development they

| | Half-year 1970 | Year 1970 |
|--------------|----------------|------------|
| Turnover | 12,666,532 | 22,706,287 |
| Net profit | 246,438 | 290,240 |
| Interest | 2,399,948 | 419,152 |
| Depreciation | 254,292 | 292,000 |
| Income tax | 1,000,000 | 1,000,000 |
| Taxation | 13,500 | 108,018 |

New York Times, 1978, 176, 184
 Sources: 1978, 1979, 1980
 per gross as it would be misleading to
 make a comparison with first-half figures
 as they were infrequently subject to
 adjustment.

See Lex

**119 COMPANIES
FAIL**
 A High Court judge ordered
 the compulsory liquidation of 119

should be in step with turnover.
 The move of the commercial
 offices from the same site as the
 factory during the coming months
 and the sale of the old office block
 should effect further economies.
 Meanwhile, products design
 under constant review particu-
 larly with EEC entry in mind. A
 new range of valves, just an-
 nounced, will be followed by
 further additions now in the
 stages of development, the direc-

Statement Page 29

June 30, 1971, were a record
 £3,779,129 (£2,000,000) and a
 dividend of 11 per cent. (10 per cent.)

**National
Sunlight
downturn**

Mr. Sparborg reports that the
 new leasing company got off to a
 good start and is already com-
 mitted to sell some £1m. worth of
 leases with a further £2.5m. in
 negotiation. In addition Crane
 Western Finance was established
 in partnership with Crane Frueh-
 auff Trailers.

On September 6, 1971, Hambro

companies out of 208 listed before
him in the Companies Court
yesterday.

Many of the orders were made
on petitions presented by the
Inland Revenue for arrears of tax,
or by the Department of Health
and Social Security for unpaid
insurance contributions.

See Lex

EMU WINE

Azainet a corresponding period
loss of \$6,897 Emu Wine Holdings
reports a pre-tax profit of \$27,624

PRE-TAX PROFIT, before SET, of
National Sunlight Landries rise
the half-year to June 30, 1971, de-
creased from \$245,615 to \$208,615,
and after SET it was down from
\$123,049 to \$77,070.

The net figure was \$62,426
(\$79,249).

Bank (Nominees) and Phoenix
Assurance Company were shown
as substantial shareholders with
376,822 (10.6 per cent.) and
715,000 (20.5 per cent.) Ordinary
shares respectively.

Meeting, 55, Rishingsgate, E.C.,
October 28, at 3.30 p.m.

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

“It’s all very fine deciding to go public, don’t you have to find people to underwrite the issue, or whatever it’s called?”

**Call in Montagu's
the merchant bankers
and find out**

**Call in Montagu's
the merchant bankers
and find out**

Samuel Montagu & Co. Ltd, 114 Old Broad Street, London, E.C.2. Tel: 01-588 6464. Also Regional Offices in Leeds, Tel: 39889. Leicester, Tel: 20274. Sheffield, Tel: 70448.

INTERNATIONAL COMPANY NEWS + OVERSEAS MARKETS

Rhône Poulenc warns of shrinking profit margins

BY JANE BERGEROL

RHÔNE-POULENC, one of the big three French industrial groups and a leader in the chemicals and textiles industries, is suffering from a severe shrink in profit margins which is now threatening profits for 1971 and affecting share prices.

The group's October newsletter prompted a downturn in Rhône Poulenc share prices last week of no less than five per cent. Admittedly during a bad period on the Bourse as a whole, but most other comparable stocks only dropped one or two per cent.

According to the group's chairman, Wilfrid Baumgartner, Rhône Poulenc is suffering from rising costs and falling prices, which he ascribed both to the price controls in France and tough international competition leading to price cutting on export markets. In the letter, he quotes the group's average sales having increased by the same amount as the price index (5.8 per cent annually at the moment) while fuel oil prices have fallen by 10 per cent.

In spite of this gloomy picture, M. Baumgartner firmly maintained that the 1970 profits of Frs.203.9m, would at least be repeated this year. He said that the 1970 dividend of Frs.8.50 could be counted upon for 1971.

On the other hand, Rhône Poulenc's heavy investment programme which will total over Frs.2,600m. for 1970-71 alone, will have probably to suffer some minor alterations as regards timing, although the group is unwilling to publicly declare what these commitments will entail.

This month's newsletter contains turnover figures for the first half of 1971, and the poorest showing appears to come from the textiles sector, where turnover rose by only 4.4 per cent to Frs.2,026m.

The fastest growing branch of the group was the film sector, where half-yearly turnover rose by 12.5 per cent to Frs.244.5m. compared with the same 1970 period. Chemicals, which contributes the largest part of consolidated turnover, saw an increase of 8.06 per cent to Frs.3,091.2m. while pharmaceuticals increased by 9.5 per cent to Frs.1,939m.

Norwegian electronics leader to go public

BY OUR OWN CORRESPONDENT

Oslo, Oct. 4

TANDBERGS RADIOFABRIK, Norway's biggest producer of radios, tape recorders and other electronic equipment, is to go public with a share issue of between Kr.29.5m. and Kr.49.4m. The company is now owned by a foundation which holds all of the shares.

The new issue, to be floated from October 18-25, will aim at raising the capital to a minimum of Kr.30m. and a maximum of Kr.50m.

The existing shares will have 50 per cent of the voting rights and the expanded company, but will receive the same dividend as that paid on the new shares. The enlarged company will have a Board of six, two members to be elected from among the new shareholders, two from among Tandberg's employees and two appointed by the foundation.

Approval for DM980m. loans in October

BY CHRISTOPHER LORENZ

BONN, Oct. 4

FOLLOWING the recent improvement in the West German capital market, the inter-bank committee that regulates markets to-day approved the issue of DM980m. worth of loans by the end of the month.

Three foreign D-mark borrowers got the go-ahead, and their issues totalled DM320m. First to be signed will probably be the Kingdom of Denmark's DM100m. issue, managed by the Westdeutsche Landesbank Girozentrale. The next is expected to be a DM80m. issue by the Mexican National Bank for Labour and Public Services. A consortium leader is the Dresdnerbank.

The third signing scheduled here, the Capital Market Committee's next meeting on November 8 will see lead managed by the Deutsche Bank. Following this, the committee is expected to step back from the market until the monetary situation is clearer and its replacement by the Spanish Autopistas de Viajes is unwilling to name any games until nearer the end of the month.

Three domestic issues were also approved to-day, including a DM300m. Bundesbank loan, one by the Deutsche Kreditbank Rheinisch-Westfälisches Elektrizitätswerk (RWE), and DM100m. by the North-West German Power Station Company.

Foreign borrowers' coupons are

expected to range between 7 1/2 and 8 per cent for the moment, while domestic issues are likely to continue to carry an 8 per cent interest rate, at least until there is a cut in the discount rate.

Australian Chrysler sales, profits fall

By Michael Southern, Australia Editor

AUSTRALIA'S third biggest car maker, Chrysler, to-day reported a drop in net profits of 46.5 per cent for the six months to June. The group announced a plunge from \$43.9m. in the first half of 1970 to \$23.1m. for the first half of this year.

Group income declined by 9.9 per cent from \$483.9m. to \$437.6m., while vehicle unit sales fell 15.8 per cent to just over 29,000, compared to 33,000 in the same period of 1970.

On an annual basis, this half-year performance represents net earnings of little more than \$44.3m. for the full year against \$47.3m. in the last two complete years. Directors, however, are pessimistic and say that the first half profit was affected by lower sales and higher costs. The company has also introduced new ranges for the second half of the year and directors report a "considerable improvement" in sales.

JAPANESE STEEL

Greece a back door to E. Europe

BY A. H. HERMANN, RECENTLY IN GREECE

IT NOW LOOKS as if Japanese steel interests will, after all, form part of a \$150m. joint venture in Greece. The scheme is back on the Greek Government's current agenda, and if adopted will not only mean a sizeable Japanese participation in expanding Greece's steel sheet capacity, but also the opening of a back door into Eastern Europe for Japan's steel manufacturers.

Plans for the joint venture between the Hellenic Steel Company, Nippon Kokan, the steel manufacturing concern, and C. Itoh, the major Japanese trading house, received a setback earlier this year—largely, it is said, because of European and British objections.

Thessaloniki

The project itself would consist of a considerable extension to Hellenic Steel Company's Thessaloniki complex. Nippon Kokan is to supply a hot rolling mill which would use Japanese slabs to produce sheet steel.

If the scheme is adopted, the increased Thessaloniki capacity is expected to satisfy Greece's sheet steel needs during the seventies, as well as providing a new market in Yugoslavia, Bulgaria and Romania for Japanese steel.

Mr. Homer C. Lackey, the American president of Hellenic Steel, told me recently that the reshuffled Greek Government had made him hopeful that the project may yet be approved. And Mr. Constantine John Michalopoulos, Under-Secretary of State for Government Policy, confirmed to the Financial Times that this project is still under consideration, although no final decision has been reached.

Should this project come about, in spite of the misgivings of the European steelmakers, it will be because it appears, at present, to meet a combination of needs.

One is the urgent need of Japanese steelmakers to find new outlets after the blow inflicted by the imposition of the 10 per cent U.S. import surtax. One can also expect that the U.S. Equipment for the expansion of

Government will be willing to appraise the Japanese by helping them in other markets, particularly if this can be done in a joint venture.

The Greek Government, on the other hand, is greatly interested in securing the construction of a large integrated steelworks in Greece—and may yet be convinced by Mr. Lackey that the construction of the Thessaloniki furnaces so as to be able to produce slabs from scrap and pre-reduced pellets. Using scrap alone seems much too risky because the price fluctuations—unit costs can sometimes double within a few months—while it is hoped that the pellet technology may be past its teething troubles within a few years.

The economics of the project has parallels in the rolling of Australian slabs in the U.S., in the supply of Soviet slabs to Bulgaria and in the West German steelmakers' project to replace blast furnaces in Austria, which has both ore and coking coal, now in short supply world wide.

Parallels

Japan's advantage is of a different kind. It does not have ore and coal like Australia, but did have the foresight to secure 30-year delivery contracts for coal and ore from the producing countries; and, of course, it has the giant blast furnaces that can produce metal much more cheaply. As a result, it can produce slabs in Greece at well below European costs.

The existing mills of the Hellenic Steel Company occupy only a small part of the land to the Financial Times that this project is still under consideration, although no final decision has been reached.

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the present cold rolling mill to a capacity of 1m. tons and the construction of a new hot strip rolling mill of 1.5m. tons a year would be supplied from Japan by Nippon Kokan.

It is further proposed that after a few years of rolling slabs imported from Japan, the work should be further expanded. The construction of electric furnaces so as to be able to produce slabs from scrap and pre-reduced pellets. Using scrap alone seems much too risky because the price fluctuations—unit costs can sometimes double within a few months—while it is hoped that the pellet technology may be past its teething troubles within a few years.

Far East too

Another assumption behind the timing of this transformation of rolling mill into fully integrated steel works is that in a few years time Japan's rolling capacity will catch up with the output of Japanese blast furnaces, so the Japanese partners in the joint venture may no longer be interested in supplying slabs.

As Mr. Lackey of Hellenic Steel underlines, the project is not designed for the West European market. The expanded mill would supply the Greek market and serve as a base for sales in Eastern Europe, which is still short of steel sheet and tin plate in spite of heavy investment in steelworks in all Comeco countries. When East European production catches up with requirements, the output of the Thessaloniki mills could be sold in C. Itoh in Africa and the Far East.

© MARUBENI-IDA CO. and KAWASAKI HEAVY INDUSTRIES signed contract with Algeria to export a cement manufacturing plant worth \$4.1m. Plant will be able to produce 5m. tons of cement annually. It will be produced by Kawasaki and will be delivered to the Algerian Government-owned Construction Materials Corporation by end of 1972.

IN BRIEF

Europe

● EUROFINA, of Basle, the European railway material financing corporation, is from October 5-11 to float in Swiss francs a loan of Sw.Frs.50m. with a 6.5 per cent coupon. The 12-year loan will be issued at 100.6 per cent.

● HOLIDAY PARKS HOLDINGS has been set up with a capital of Sw.Frs.500,000 in St. Gallen, Switzerland. For participation in companies concerned with the installation, development and operation of amusement parks in Switzerland and other countries.

● SCHRIER SCHUL, of Aarau, the Swiss electrical engineering concern, is from October 7-13 to float a loan of Sw.Frs.20m. for the consolidation of short-term liabilities and the guaranteeing of liquid assets for expansion investments. The 12-year loan, which has a 6.25 per cent coupon, will be issued at 100.1 per cent.

● STERN & SONS CORPORATION said it acquired principally for stock, the Dental Products Division of Stern Freres, of Geneva. The division makes and markets dental chairs, instrument delivery systems, X-ray machines and other equipment used by dentists.

● ALGEMENE BANK NEDERLAND said it and Philips Gloeilampenfabriek will each get a

50 per cent stake in the computer services concern Algemeen Raken Centrum, of Amstelveen, near Amsterdam.

● MOULINEX said pre-tax profit for the half-year to June 30 rose to Frs.15.5m. from Frs.14.1m. in same 1970 period.

● ENTREPRENEUR PETROLIERES (EIP) announced plans to triple to 12m. tons by 1975 the annual capacity of its crude oil refinery at Gargenville, north of Paris.

● STE DES FONDERIES DE PONT-A-MOUSSON net profits in half-year to June 30, rose to Frs.18.5m. from 14.6m. in same 1970 period.

● LA TELEMECANIQUE ELECTRIQUE said provisional profits in first half 1971 rose to Frs.9.7m. from Frs.9.5m. in same 1970 period.

● RHONE-POULENC will seek shareholder approval soon to consolidate its textile activities into its subsidiary, Cie Industrielle de Textiles Artificiels et Synthétiques (CITA). This will involve the absorption by CITA of Rhodaneta, Rhovyl, Industrielle de Moy, Norsyntex, Constructions Mecaniques de Stains, Expansion Textile and Rhodaneta. When completed, CITA's capital will be increased Frs.197.5m. to Frs.317.7m. Kr.317.7m.

North America

● PUBLIC SERVICE ELECTRIC AND GAS COMPANY filed petition with the Board of Public Utility Commissioners of New Jersey for authority to issue and sell not more than \$80m. principal amount of its first and refunding mortgage bonds, to be dated November 15, to mature November 15, 2001.

● CASSIARI ASBESTOS CORPORATION announced interim dividend of 15 cents per share plus an extra dividend of 5 cents per share payable October 29 to shareholders of record September 30.

● PERKIN-ELMER CORPORATION acquired assets and business of Metco Inc. in exchange for 950,400 shares of Perkin-Elmer common stock. Metco will operate as a subsidiary of Perkin-Elmer under its present management. The initial agreement in principle was announced on June 21, 1971. Located in Westbury, New York, Metco is a manufacturer of thermal and electric flame and plasma spray equipment, with sales for fiscal year ended July 31 of \$23m.

● W. R. GRACE AND CO. expects net income after tax to be "about the same or a little better" in 1971 as it was in 1970. Earnings last year were \$1.95 per share, and for 1971 the company is hoping for \$2.

Others

● WHEELLOCK Marden and Co. net profit for year ended March 31, 1971, after providing for taxation, subject to completion of audit, was \$192,056, against \$182,822 in 1970. Directors will recommend payment of final dividend of 50 cents a share on 19,500,000 shares. They also propose to recommend a bonus issue of fully paid shares to shareholders registered November 9 in ratio of one new share for every 10 shares held.

● STANADAR BANK SIERRA LEONE, subsidiary of The Standard Bank, is to issue to the public in Sierra Leone 100,000 ordinary shares at \$1 each, to be taken up by three leones per share.

● KIWI INTERNATIONAL COMPANY said agreement had been reached by its subsidiary Kiwi France to purchase for cash a controlling interest in Parador, of France.

● MITSUBISHI MOTORS CORP. of Japan reports that it reached agreement with Chrysler Corp. to supply Mitsubishi engines for assembling passenger cars at Chrysler's subsidiaries in Britain and France.

SOME RUHR STEEL WORKERS WALK OUT

By Christopher Lorenz

BONN, Oct. 4

STEEL production at a number of mills in the East Ruhr town of Hagen was halted this morning when over 1,000 workers marched to the Town Hall in protest against reports of impending plant closures.

The two companies affected were Kloeckner Werke, one of the country's largest steel concerns, and Stahlwerke Suedwestfalen. Both reported that the situation was back to normal by early afternoon.

Kloeckner Werke, which declined that it was intending to make any closures, already has 2,100 workers on short time—550 of them from the Hagen plant. In common with the rest of the German steel industry, it has been hit by falling demand and rising costs.

Stahlwerke Suedwestfalen, on the other hand, admits that one of its works is under extreme competitive pressure, and that the situation is acute.

COMPANY NEWS

J. L. Kier confident of progressive future

COMPARED WITH the average in the construction industry, J. L. Kier and Co. is in the forefront. In respect of reasonable maintenance of the ratio of net profit to turnover, says chairman, Mr. O. Kier, and he is confident that this is a subsidiary of The British Petroleum Company.

As reported on September 18 group net profit for the year ended March 31, 1971, increased to £1,252,000, against forecast of £1,000,000, and compared with £1,054,000 for the previous year. This was achieved despite higher than expected inflationary pressures, Mr. Kier points out.

Turnover extended from £21,100,000 to £22,300,000 and the dividend, as stated, is lifted from 25 to 25 per cent.

Last May the company acquired 83 per cent of the Ordinary capital of Robert Murrlott Group. It is anticipated that this acquisition should make a worthwhile contribution to profit from the year commencing April 1972.

A register of substantial holdings shows Mr. J. L. Kier, Chairman, Mr. D. R. Huntingford with 1,100,000, Mr. W. E. Emms and Mrs. B. G. Kier 354,200, Mr. W. E. Emms and others 234,150; Mrs. B. G. Kier 40,000.

Meeting, Nandy, Bedford Road, November 10 at 11 a.m.

A. Duckham

First-half group profit of Alexander Duckham and Co. increased from £451,000 to £553,000.

COMPANY NEWS IN BRIEF

SUNGEI BARRU RUBBER—Final dividend 4 per cent, 110 per cent making 114 per cent. Dividend payable 10/10/71. Profit £105,000 (£105,000) after tax £105,000 (£105,000).

CAIRN (RUSSIA)—No dividend on 10/10/71. Last payment was in respect of half year to 30/6/70. Dividend payable 10/10/71. Profit £105,000 (£105,000) after tax £105,000 (£105,000).

AMALGAMATED TIN MINES OF NIGERIA (HOLDINGS)—No dividend on 10/10/71. Last payment was in respect of half year to 30/6/70. Dividend payable 10/10/71. Profit £105,000 (£105,000) after tax £105,000 (£105,000).

GOUDMAN BROS. AND STOCKMAN—No dividend on 10/10/71. Last payment was in respect of half year to 30/6/70. Dividend payable 10/10/71. Profit £105,000 (£105,000) after tax £105,000 (£105,000).

Atlantic Assets poised for expansion

Chairman of Atlantic Assets Trust, Sir Alastair Blair, tells members that during last year the company has been able to consolidate the large gains made in the past and the Board is now giving "considerable thought" to future development.

As he predicted, it was a difficult year, but the final outcome has not been unsatisfactory.

As reported on July 23, with net asset value, total income before interest and expenses for the year ended June 30, 1971, was £1,000,000, while the dividend and the dividend is held at 0.625p per 25p share.

Valuations placed on the holdings in the Atlantic Assets Trust, a large unquoted holding of Save and Prosper Group have remained unchanged and all the rise in total valuation comes from other investments.

The changes made by which Sir Alastair took over the chairmanship of Edward Bates and Sons (Holdings) and Mr. J. Gammell

Parker-Knoll confident

The work of the last two years enables the directors of Parker-Knoll, furniture manufacturers, to look to the future with confidence.

"If the aims of the Government are achieved the current year should be successful," says chairman Mr. C. H. Jourdan.

The furniture company is planning a further extension at a cost of £138,000, while building work and equipment for a new warehouse for the textile company will cost some £65,000 during the next two years.

As reported on September 18 group pre-tax profit for the year to July 31, 1971, expanded from £196,546 to £247,236, and the dividend is doubled to 10p.

Sales increased from £4,814,000 to £5,224,332.

Meeting, High Wycombe, October 29, noon.

Better year seen by Kitsons

SUBJECT to unforeseen circumstances, profits of Kitson's Insulations will be materially increased in the current year," chairman, Mr. F. N. Upchurch, tells members.

Forward orders are "most encouraging," turnover is running at a record level and the losses of two subsidiaries have been resolved.

As reported on September 27, group profit before tax for the year ended March 31, 1971, was £134,143, against £108,547 in 1970, a "most difficult" year. The dividend is held at 16 1/2 per cent.

Group profit was severely affected by losses amounting to £119,107 in Kitson's Sheet Metal and Jackson's Insulations. The activities of the former have been terminated and metal fabrication for the group absorbed by new contracting subsidiary, Kitson's Insulation Contractors.

The acquisition of Jackson's Insulations has not yet fulfilled expectations and the adverse result is largely due to losses on completion of certain contracts taken over. Negotiations for an agreement to purchase the assets are proceeding. The Board, now that reorganisation is completed, is confident that this subsidiary will prove profitable.

The chairman stresses that the benefits of reorganisation and improved financial control are being realised. The group has now fully entered into new fields, especially the oil and chemical industries and cold stores. It has secured some conspicuous contracts, especially with new breweries, petrochemical and oil refineries.

Meeting, Hotel Russell, W.C., October 27, noon.

13, Road Lane, E.C., October 26, at 2.15 p.m.

INDREEM TEA COMPANY—Results for year ended March 31, 1971, reported August 25. Fixed assets £147,574 (£147,718), current assets £208,303 (£187,171) and liabilities £129,285 (£124,438). Current assets £174,175 (£163,689), liabilities £207,241 (£197,621). Current year purchase to date £2,340,000 (£1,571,200) and prospects for remainder of season may be considered favourable. 1971-72, 1972-73, 1973-74, 1974-75, 1975-76, 1976-77, 1977-78, 1978-79, 1979-80, 1980-81, 1981-82, 1982-83, 1983-84, 1984-85, 1985-86, 1986-87, 1987-88, 1988-89, 1989-90, 1990-91, 1991-92, 1992-93, 1993-94, 1994-95, 1995-96, 1996-97, 1997-98, 1998-99, 1999-00, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, 2023-24, 2024-25, 2025-26, 2026-27, 2027-28, 2028-29, 2029-30, 2030-31, 2031-32, 2032-33, 2033-34, 2034-35, 2035-36, 2036-37, 2037-38, 2038-39, 2039-40, 2040-41, 2041-42, 2042-43, 2043-44, 2044-45, 2045-46, 2046-47, 2047-48, 2048-49, 2049-50, 2050-51, 2051-52, 2052-53, 2053-54, 2054-55, 2055-56, 2056-57, 2057-58, 2058-59, 2059-60, 2060-61, 2061-62, 2062-63, 2063-64, 2064-65, 2065-66, 2066-67, 2067-68, 2068-69, 2069-70, 2070-71, 2071-72, 2072-73, 2073-74, 2074-75, 2075-76, 2076-77, 2077-78, 2078-79, 2079-80, 2080-81, 2081-82, 2082-83, 2083-84, 2084-85, 2085-86, 2086-87, 2087-88, 2088-89, 2089-90, 2090-91, 2091-92, 2092-93, 2093-94, 2094-95, 2095-96, 2096-97, 2097-98, 2098-99, 2099-00, 2100-01, 2101-02, 2102-03, 2103-04, 2104-05, 2105-06, 2106-07, 2107-08, 2108-09, 2109-10, 2110-11, 2111-12, 2112-13, 2113-14, 2114-15, 2115-16, 2116-17, 2117-18, 2118-19, 2119-20, 2120-21, 2121-22, 2122-23, 2123-24, 2124-25, 2125-26, 2126-27, 2127-28, 2128-29, 2129-30, 2130-31, 2131-32, 2132-33, 2133-34, 2134-35, 2135-36, 2136-37, 2137-38, 2138-39, 2139-40, 2140-41, 2141-42, 2142-43, 2143-44, 2144-45, 2145-46, 2146-47, 2147-48, 2148-49, 2149-50, 2150-51, 2151-52, 2152-53, 2153-54, 2154-55, 2155-56, 2156-57, 2157-58, 2158-59, 2159-60, 2160-61, 2161-62, 2162-63, 2163-64, 2164-65, 2165-66, 2166-67, 2167-68, 2168-69, 2169-70, 2170-71, 2171-72, 2172-73, 2173-74, 2174-75, 2175-76, 2176-77, 2177-78, 2178-79, 2179-80, 2180-81, 2181-82, 2182-83, 2183-84, 2184-85, 2185-86, 2186-87, 2187-88, 2188-89, 2189-90, 2190-91, 2191-92, 2192-93, 2193-94, 2194-95, 2195-96, 2196-97, 2197-98, 2198-99, 2199-00, 2200-01, 2201-02, 2202-03, 2203-04, 2204-05, 2205-06, 2206-07, 2207-08, 2208-09, 2209-10, 2210-11, 2211-12, 2212-13, 2213-14, 2214-15, 2215-16, 2216-17, 2217-18, 2218-19, 2219-20, 2220-21, 2221-22, 2222-23, 2223-24, 2224-25, 2225-26, 2226-27, 2227-28, 2228-29, 2229-30, 2230-31, 2231-32, 2232-33, 2233-34, 2234-35, 2235-36, 2236-37, 2237-38, 2238-39, 2239-40, 2240-41, 2241-42, 2242-43, 2243-44, 2244-45, 2245-46, 2246-47, 2247-48, 2248-49, 2249-50, 2250-51, 2251-52, 2252-53, 2253-54, 2254-55, 2255-56, 2256-57, 2257-58, 2258-59, 2259-60, 2260-61, 2261-62, 2262-63, 2263-64, 2264-65, 2265-66, 2266-67, 2267-68, 2268-69, 2269-70, 2270-71, 2271-72, 2272-73, 2273-74, 2274-75, 2275-76, 2276-77, 2277-78, 2

A Financial Times—Investors Chronicle Conference

Unit Linked Investment and the Public

INN ON THE PARK LONDON

Programme

24 November

25 November

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CURRENT SCENE

David Maitland Managing Director,
Save & Prosper Group

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Professor J.M. Samuels Graduate
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MEASURING THE PERFORMANCE OF
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Please send me full details of Unit Linked Investment and the Public

Name

BLOCK CAPITALS

Company

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APPOINTMENTS

Mr. J. L. Wood is
McCorquodale
chief executive

Mr. J. L. Wood has been
appointed to succeed Mr. J. C.
Sanderson as chief executive and
managing director of Mc-
CORQUODALE AND CO. group.

Mr. Wood, who joined the com-
pany in 1958 and was appointed
a director in 1964, will combine
his former appointment of finance
director with his new position.

Mr. Sanderson, who has been
with the company since 1958, has
retired as chief executive and
managing director and becomes
vice-chairman. He continues as
chairman of McCorquodale Colour
Display and on the Boards of
certain other subsidiaries.

Mr. George McCorquodale has
retired as deputy chairman, but
continues as a director.

Mr. Richard Raworth has been
appointed a director of HESTAIR.

As a result of the acquisition
of Singer and Friedlander Hold-
ings, the following Singer and
Friedlander executives are being
appointed directors of the C. T.
BOWRING COMPANY subsidiaries:

Mr. R. B. Buckley, C. T. Bowring
and Mtd. Beddall (Home); Mr.
R. C. Callinan, C. T. Bowring and
Laybourn; Mr. A. D. H. Higgins,
C. T. Bowring Mtd. Beddall
(International); Mr. A. G. O.
Walker, James M. Macalister and
Alison; Mr. A. K. H. Fletcher,
Jovitt and Freeman (Insurance);
Mr. C. Slunt, C. T. Bowring and
Laybourn; Mr. L. A. Crabbe and
Mr. A. N. Solomons, Bowmaker;
Mr. Timothy Harford, Bowmaker
(Plant); Mr. A. R. J. Dyas, Bow-
maker; Mr. J. Reay, Crusader
Insurance Company; Mr. A. Baobury, English and
American Insurance Company;
Mr. R. P. Corbett, C. T. Bowring
Trading (Holdings); and Mr. F.
Brackfield, Tower Hill Property
Company.

Mr. L. P. Cary, a director of
C. T. Bowring Trading (Holdings),
is appointed a director of Bow-
maker (Plant).

Mr. R. Featherstone, director
and joint secretary of WILLOWS
FRANCIS, has retired after 45
years' service. Mr. P. N. Hanna
becomes sole secretary.

Mr. W. A. G. Clark has been
appointed to the Boards of C. E.
HEATH AND CO. (EAST
ANGLIA), C. E. HEATH AND CO.
(MIDLANDS), and C. E. HEATH
AND CO. (LANCASHIRE).

Mr. Arthur Gurr, a director of
Clan Line, Houston Line and
Union-Castle, all members of the
BRITISH COMMONWEALTH
GROUP, has retired.

Mr. A. M. Bews has been
appointed chief manager of
LLOYDS BANK (BELGIUM)
SA in succession of Mr. A. J.

Manton, who has retired after 45
years' service.

Mr. F. E. Plaster has been
appointed a director of BEVA-
LOID (Barrow Hepburn and Gale).

Mr. George Gamble is to
relinquish his executive respon-
sibility as managing director of
THORN TELEVISION RENTALS
on January 31. He will remain
on the Board in an advisory
capacity.

Mr. Peter F. Hunt, a chartered
accountant, has been appointed a
non-executive director of
HOOKER CHAUNCEY AND CO.
fund raising consultants. He was
until recently general secretary of
Dr. Barnardo's.

Mr. Maurice Lovett-Turner has
been appointed sales director of
BEVERLEY CHEMICAL ENGI-
NEERING COMPANY.

Mr. F. W. Carter has been
appointed purchasing director of
METAL CENTRES. He was pre-
viously stainless steel products
director.

Mr. B. Grimshaw has been
appointed an executive director
of BACO (U.K.).

Mr. C. E. Baring has been
appointed a director of the LON-
DON LIFE ASSOCIATION.

Mr. G. M. Brown has been
appointed a director of HARRODS.

Mr. C. Callum Smith has been
appointed legal officer of the
ELECTRICAL CONTRACTORS'
ASSOCIATION. He succeeds Mr.
David Evans, who is leaving to join
a firm of London solicitors.

Mr. M. H. Young, former deputy
managing director of
DUNDEE AND CO. (Guest
Keen and Nettles), has been
appointed managing director to
succeed Mr. W. E. Dunkerley who
has resigned.

Professor R. C. O. Matthews is
to succeed Mr. Andrew Shonfield
as chairman of the SOCIAL
SCIENCE RESEARCH COUNCIL
on January 1. Professor Matthews
has been a member of the SSCRC
since December, 1968, and is chair-
man of the Council's economics
committee.

Mr. W. J. Wall has retired as
director in charge of the Welsh
regional office of R. M. DOUGLAS
CONSTRUCTION. He will con-
tinue with the company as a
consultant. Mr. R. K. James, an
associate director, takes over as
manager of the Welsh region.

Mr. T. P. Whitaker, Mr. C. P.
Bailley and Mr. K. Sandom have
retired from the partnership of
R. S. H. HURST-BROWN AND CO.
stockbrokers. Mr. Whitaker and
Mr. Bailley will remain associated
with the firm, but Mr. Sandom will
be joining Vickers, de Costa and
Co. stockbrokers, at about the
end of this month.

Mr. D. H. Back and Mr. C. C.
Surtees have been taken into
partnership with Read Hurst-
Brown.

Mr. Warren T. Jones, general
passenger manager of the Furness
Wherry Group, has been appointed
to the Board of the SHAW
SAVILL LINE.

DELAPEA, HONING EQUIP-
MENT, a subsidiary of the David
Brown Corporation, has appointed
Mr. A. J. Cox, Mr. D. E. Johnson
and Mr. R. K. Pearson to its Board
with responsibility for engineer-
ing, sales and production respec-
tively.

**STOCK EXCHANGE
PARTNERSHIPS**
Mr. S. I. Davis and Mr. H. D.
Marks have been appointed joint
chairmen of SWITH BROOK
jobbers. Mr. W. J. Rantzen has
retired as chairman and from the
Board but will remain associated
with the company. Mr. B. E.
Benjamin and Mr. D. C. Field have
been co-opted to the Board. Smith
Bros. is a limited corporate
member of the Stock Exchange.

**Cuts made in
crude oil
posted prices**

Financial Times Reporter
MODEST reductions in crude oil
posted prices, used by the oil
producing countries to calculate
taxable revenues, have been
announced by BP Trading for
Iraqi, Libyan and Nigerian crudes.
The largest of the reductions,
which become effective to-day, is
in 40 degree Libyan crude, where
the posted price is cut by 2.4
cents a barrel to \$2.399. Iraqi
38 degree crude shipped from
Tripoli in the Lebanon is re-
duced by 2.2 cents. The price
of all grades of Nigerian crudes
goes down by 1.7 cents.
The reductions follow a
regular review agreed between
the oil companies and these pro-
ducing countries to keep the
freight element included in
posted prices in line with world
trends in freight rates. The
decline in freight rates has led
to the adjustments now being
made.

**£11,880 GRANT
TO REPAIR
MANOR HOUSE**

Grants towards the cost of re-
pairs to a medieval manor house,
a Cambridge windmill and a Man-
chester library are in a list pub-
lished yesterday by 66 buildings
for which the Historic Buildings
Council has recommended grants
of nearly £5,000.
In addition to the new grants,
nearly £4,000 has been allocated
in the two months to the end of
June for increases in grants
awarded previously. Fifty-four
buildings are receiving grants for
the first time, including 31 town
schemes.
The manor house in the new
list is the 15th century Bradley
Manor at Newton Abbot. It is
owned by the National Trust and
receives £11,880 for extensive
repairs.

KIER
ANOTHER
RECORD YEAR

The following is the Statement by the Chairman, Mr. Olaf Kier, C.B.E.

The Annual General Meeting will be held at
Temple Hall, Sandy, Bedfordshire on Wednes-
day, 10th November, 1971 at 11.00 a.m.

ACCOUNTS

The Accounts show that the Group Profit before
Tax amounted to £1,252,000, as against £1,034,000
the year before, and that the amount after taxation
was £768,000 as against £561,000. Turnover, at
£23.3m, was 10 per cent higher than the previous
year and the Group Profit before Tax 21 per cent
higher.

DIVIDENDS

The Directors are recommending to Shareholders
the payment of a Final Dividend of 14 per cent
making, with the Interim Dividend of 11 per cent,
a total dividend of 25 per cent against 22½ per cent
the previous year.

Kier Limited

The value of new contracts obtained during the
year under review has been satisfactory and the work
in hand is again at record level.

Good progress has been made on our road
contracts at Taff Vale, the Elevated Roadway lead-
ing to Convey Island and the Halifax Inner Relief
Road. Work has continued steadily on the East
Cross Route Contract at Heckney where, in addi-
tion, we have received an order from British Rail
for a bridge. We have recently been awarded a
major road contract at Neath in South Wales.

In the field of marine works we have completed
facilities at Harwich for Harbour Development Ltd
and have made a satisfactory start on the construc-
tion of the Marine Terminal at Amoco's refinery at
Milford Haven. The submarine pipeline at Warral was
safely floated into position earlier this year and the
Company was most gratified at the congratulatory
messages received both from the client and the
consulting engineers on the completion of this
difficult operation. A contract of particular interest
is the one obtained for heightening the river wall of
the Thames in the vicinity of the Houses of
Parliament.

Work is proceeding on the construction of
elevated car parks in Cambridge and Stevenage
and on two large hotels situated at Marble Arch
and Swiss Cottage, London. We have recently
received the order for extensive foundation work
at the new Carlsberg Brewery near Northampton.
During the year we obtained our first contract in
Barbados in joint venture with Clark and Tucker of
Bridgetown and we are exploring the possibility of
work in other areas abroad.

Caribbean Construction Co. Limited

The Company has again done well, with a con-
siderable increase in turnover, mainly due to
additional work on the Alcoa Minerals Alumina
Plant. Unfortunately, due to labour unrest on this
project, work was suspended by the owners for
three months at the end of 1970 and in conse-
quence this major contract is not expected to be
completed until the end of 1971.

The 200-room hotel project at Port Henderson
for Kingston Beach Hotels is well under way and
is due for completion in September 1972. We are
engaged on the development of an office building
in New Kingston in association with local interests.

Work is in hand for the Caribbean Cement
Company, a Sea Wall contract for the Kingston
Waterfront Redevelopment Company and a further
pre-stressed concrete bridge for the Ministry of
Works.

J. L. Kier & Company, Limited

At the Annual General
Meeting of the Cork Marts/
I.M.P. Group held in Cork on
Friday, September 24th, the
Chairman, Major Maurice
Donegan, reported a further
year of progress in the Meat
Plants and Livestock Marts.



Major Maurice Donegan
Chairman, Cork Marts/I.M.P. Group

The following comparative figures were given:

| | 1969 £ | 1970 £ |
|------------------------------|-----------|-----------|
| Group Sales | 36.8m | 44m |
| Profit before depreciation | 734,000 | 764,000 |
| Depreciation | 170,000 | 228,000 |
| Share Capital | 3.08m | 3.69m |
| Dividend Declared (7½% p.a.) | 217,197 | 240,793 |

IRELAND'S BIGGEST
EXPORTER

The Chairman in his report to
the Annual General Meeting
highlighted the fact that the
Cork Marts/I.M.P. Group is
Ireland's biggest exporter with
more than £7 millions in meat
sales to the U.S.A. and £13
millions to other markets.
The Group plays a very impor-
tant role in the Irish economy
as a major dollar and other
foreign currency earner with
its £20 millions in export
meat sales.

E.E.C. POTENTIAL

Speaking about the possibilities
presented by membership of
E.E.C., the Chairman stated
that the Cork Marts/I.M.P.
Group was one of Europe's
biggest farmer owned co-
operatives. He stressed, how-
ever, that while E.E.C.
membership would open up
tremendous opportunities for
the marketing of Irish agricul-
tural produce, the Group
would have to consolidate its

position so that it would be in
a position to withstand the
strong competition which
would come from the well
organised processing and
marketing co-operatives in
E.E.C. countries.

VITAL ROLE OF
MARKETING

The Chairman reported a very
successful first year's operation
of the Society's London based
subsidiary, Irish Meat Market-
ing Ltd., which had fully just-
ified their decision to adopt a
more sophisticated marketing
system for Irish meat. Irish
Meat Marketing, he said, is
geared to handle the ever in-
creasing range of portion con-
trol and vacuum packed meat
products which the Group's
plants are now producing in
increasing quantities. He
emphasised that the U.K.
would remain the major Euro-
pean market even if Ireland
joined E.E.C., and their U.K.
marketing company would have

a vital role to play in the
future in ensuring the best
possible return for Irish beef
and lamb in that market.

THE FUTURE

Referring to the future the
Chairman stated that under
E.E.C. conditions farmer owned
co-operatives like the Cork
Marts/I.M.P. Group would be
required to perform an even
greater role in marketing
agricultural products, and he
stressed that preparations
would have to be made im-
mediately for this situation
and the opportunities which it
would present.
In these preparations, the
Society's 28,000 shareholders
could play a very big part and
plans were being formulated to
present which would involve
them more closely in the
future development of the
Group, Major Donegan said.
The Chairman confirmed that
Dividend Warrants would be
mailed to the 28,000 share-
holders immediately.



THE CORK MARTS/I.M.P. Group

and subsidiaries:
Irish Meat Packers Limited
International Meat Company Limited
C.F.U. Meats Limited
I.M.F. (Midleton) Limited
Irish Meat Marketing Limited

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مكتبة من الكتب

First sign of let-up in Coventry toolroom dispute

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

COVENTRY, Oct. 4. FIRST SIGNS of opposition to the Monday strikes by 7,000 toolroom workers here which have disrupted production in the motor and engineering industries leading to nearly 20,000 workers being out of work today from British Leyland's Triumph car plant.

Workers there were told at the weekend that the company was fighting to stay in business after losing-making years, and in a test of opinion a significant minority voted to enter into separate wage negotiations.

This is what the Engineering Employers' Association said it wanted in cancelling on September 1 the 30-year-old agreement relating to toolroom rates in the average for skilled production workers.

The breakaway is bound to have repercussions when leading shop stewards from the city's toolrooms meet to consider future action. This is the fourth Monday strike, but it had the least effect of any, with only 1,000 of the city's other British Leyland car plant—both of which have been hit in the past—were producing normally, and only Chrysler, whose engine stocks had been used up, was idle.

Nearly 8,000 were laid off at the engine and assembly plants. A further 1,500 at the Linwood factory in Scotland making Hunters and Imps, the engines for which come from Coventry, were put on a four-day week for the duration of the strike.

So far, Chrysler has lost about 15,000 vehicles, worth more than £10m.

To-day the 30 foremen and technical staff at Chrysler's Whitley technical centre

Ten-week strike ends at Alcan

By Roy Rogers, Labour Staff

ELECTRICIAN, computer work on Alcan Aluminium's £65m smelter project at Lynemouth, Northumberland, is now getting back to normal following a 10-week strike by contractor's men.

Some 300 men employed by N.G. Bailey came out on an unofficial strike claiming parity with other tradesmen on the site, and after refusing to return to allow the grievance to be taken through procedure, were dismissed.

Now, following payment of a 15p an hour supplement for skilled men and 12p an hour for labourers, all 180 men who still considered themselves on strike have either been taken back or told when they can return under a phased resumption over the next three weeks.

However, payment of the supplement has led to criticism from the Joint Industry Board which sets out rates and conditions and which is currently carrying out an inquiry into pay on large sites.

Railley has been asked to justify his claim and could face a fine or possibly expulsion from the JIB, although the barbers' sentence seems unlikely since Bailey will argue it was under pressure from Alcan to pay the supplement to secure a resumption of work.

UCS unions' four-yard ultimatum

By Our Own Correspondent

GLASGOW, Oct. 4. UPPER CLYDE Shipbuilders' shop stewards today reaffirmed their decision that Mr. John Davies, Secretary for Trade and Industry, should be told tomorrow in London that there will be no co-operation unless the solution to the UCS problem is on a four-yard basis.

Mr. Davies is meeting national officials of the Confederation of Shipbuilding and Engineering unions in London at which he will reply to the unions' argument that Clydebank should be included in the new group under the chairmanship of Mr. Hugh Stoughton.

The Prospect of Clydebank, Mr. Robert Fleming, told a telegram to Mr. Davies asking for the continued operation of the four divisions of UCS, and urged him to have regard to the serious and increasing rate of unemployment in West Central Scotland.

13,000 AT KODAK SEEK PAY RISE

Representatives of about 13,000 Kodak workers here lodged a 15 per cent pay claim just four months after their last all-round increase.

Based mainly on the increased cost of living, the claim follows a 4.9 per cent award in June (in reply to a 22 per cent claim) and a 15 per cent settlement a year earlier.

American-owned Kodak does not recognise trade unions and negotiations are conducted through worker and staff representative committees at the Harrow, Hemel Hempstead, Ruislip and Kirkby plants.

Land take-over interest rate down by 1/2%

Financial Times Reporter

THE RATE of interest payable on compensation for land compulsorily purchased has been cut from 8 per cent to 7 1/2 per cent, the Treasury announced yesterday.

This reduction, which is intended to bring it into line with other short-term rates, operates from September 28.

The interest is payable where entry on to the land concerned is made before compensation is paid. The necessary Government orders have been published.

The last change affecting compulsory purchase of land was in April when the rate dropped from 9 per cent to 8 per cent.

Legal system not affected under EEC

THERE is "absolutely no need for anxiety" about the future of Britain's legal system within the Common Market, Sir Peter Goffman, Attorney-General said last night.

Sir Peter, speaking to the London Young Solicitors' Group, said: "It is plain that many fears about the consequences of joining the EEC are without foundation."

"For a Common Market, by definition, legal systems are different and factors that are essentially economic in their nature. It is only such matters that need to be subject to the Market's common code of conduct."

He added that there was "no question" of the Crown—or the legal system of this country—being affected by membership. "The foundations of our rule of law will not be undermined," he said.

Rig rise in Spanish cereal crop

MADRID, Oct. 4. THE 1971 Spanish cereal harvest has been the best for the past 10 years, according to the latest official estimates made by the Ministry of Agriculture.

The wheat crop may amount to 5.38m. tons, a 37.6 per cent increase on last year.

Production of barley has increased by as much as 48.9 per cent, and last year's crop in 4.61m. tons. The 0.21m. tons rice crop is 4.7 per cent better than last year, and production of oats has increased by 46.2 per cent to 0.57m. tons.

Foulness: 'No runways to be built on island'

NO RUNWAYS will be built on Foulness Island for the Third London Airport, two Conservative MPs said yesterday.

The MPs, Mr. Bernard Braine (South-east Essex) and Sir Stephen Macdonald (South-east Essex), who had opposed runways on the island, issued their statement after meeting Mr. Peter Walker, Secretary for the Environment.

It said Mr. Walker told them the Government had been examining a number of alternative sites for the runway, and none of them was on the island.

The Defenders of Essex, the protest group opposed to siting the Third London Airport at Foulness, had earlier expressed fears that the runways would be built on the island, and not on land reclaimed from the sea.

They claimed the island runways would mean the noise menace to 200,000 people.

Carlisle gains tourists from motorway

By Our Own Correspondent

CARLISLE, Oct. 4. THE RECENTLY completed M6 motorway, a given tourism a big boost in Carlisle. A meeting to promote tourism planned between the city and the Carlisle Lakes Country Tourist Board has been cancelled because the 1971 season has proved so successful.

Mr. Robert Jenkins, chairman of the North-West Council of Trade Commissioners, said 1971 had been the most successful summer for tourism in the city had known.

Carr ignored our advice - Midland union leaders

MIDLAND union leaders yesterday accused the Government of ignoring their advice on how to tackle unemployment and a stagnating economy, even though they say the Government admits that it is wrong, and that the TUC was right when it forecast high unemployment figures.

The attack came from the Western TUC advisory committee. Mr. David Perris, secretary of a public autopsy on their talks to the committee, said: "It disturbs last week with Mr. Robert Carr, that the Government is so Secretary for Employment, on his bankrupt ideas that, although visit to Birmingham, Mr. Carr, Midland Government's concern he has no engineering works representative idea how to remedy the with the Transport and Generalist, if indeed he has the Workers' Union, said yesterday will do so. 'In fact, he told us that trade unions had suggested he was 'shopping for ideas'."

Slum clearing too slow, health inspectors told

BRITAIN'S slum clearance rate is slow. Unless it is speeded up, the country will be "disrupted" until the late 1980s, the Association of Public Health Inspectors was told in Eastbourne yesterday. The annual conference passed a resolution deploring the inadequate rate of slum clearance.

It also urged the Secretary for the Environment to require local authorities to submit up-to-date programmes for clearance, in the shortest possible time of all slum houses left in their districts.

A report to the association said it was absurd, in an age of technological progress, that people should spend most of their lives in properties without hot water supply, indoor sanitation, a bath or proper cooking facilities.

The report backs up the policy of improving old homes. But it deplores the effort of local authorities to deal with squalor caused by too many people living in one house.

Houses totalling 70,728 were demolished or closed last year. Now statistics should be collected about the problem's extent so authorities could set specific periods for demolition.

The report came shortly after a seething anti-slum homes by Shelter, the campaign for the homeless.

TOPPING OUT AT ST. THOMAS' HOSPITAL BLOCK

THE seven-storey treatment block in the second stage of the rebuilding of St. Thomas' Hospital, London, was topped out yesterday by Mr. Geoffrey Jackson, consultant surgeon in the hospital. The block represents about 40 per cent of the 21m. contract being undertaken by John Laing Construction.

A research in the treatment block has been provided under a financial gift from the Max Rayne Foundation.

Laing started work on the second stage project, which also includes a 612-bed ward block, the treatment block and a block containing residential accommodation and the Nightingale School for Nurses, in February, 1969. It is a 15-year programme.

Fuji Photo Film Co., Ltd.

(Fuji Shashin Film Kabushiki Kaisha) 8th Co. Convertible Sinking Bond Debentures due October 20, 1985

NOTICE OF FIRST DISTRIBUTION AND ADJUSTMENT OF CONVERSION RATIO

NOTICE IS HEREBY GIVEN in holding of Debentures of the above-mentioned due October 20, 1985, that the first distribution of the 100 yen of a share for each share held has been approved by the Board of Directors of Fuji Photo Film Co., Ltd., and that the distribution is to be made to shareholders of record on October 19, 1971, at the New York City and New Jersey offices of the Company.

It is further stated that the conversion price of such debentures will be adjusted immediately after each record date to 100 yen per share of common stock.

FUJI PHOTO FILM CO., LTD.

G & M POWER PLANT COMPANY LIMITED

Interim Statement and Proposed Scrip Issue

As forecast in my Statement made on the 31st March, the results for the first six months of the current financial year prove very encouraging, being reflected in a Trading Profit (unaudited) for the half year to 30th June, 1971, of £90,975 as compared with £84,641 being pro rata for the corresponding six months of 1970. Estimated Taxation accounts for £30,950 (£24,967) thus providing a Net Profit for the period of £59,019 (£49,681).

This continued progress of the Company's position reflects some of the increasing benefits of an internal reorganisation plus the penetration now being achieved in new markets, primarily assisting sales of civilian products.

Recently an additional acre of land together with modern factory premises was purchased adjoining the Company's existing premises, at a cost of £23,000. The purchase was made from the Company's own resources without recourse to any borrowing. This physical expansion will ensure a logical and economical growth of facilities commensurate with planned future development.

The Directors remain confident that the profit for the year to 31st December, 1971, will be in excess of that earned during 1970.

The Directors now feel that the time has come when the Share Capital of the Company should more closely reflect the effective Capital employed in the business and they are, therefore, proposing that £75,000 of reserves be capitalised through the issue of 375,000 Ordinary Shares of 20p each, to be allotted, credited as fully paid, to the Shareholders on the Register at the close of business on 12th October, 1971. In the proportion of one new Share for every two Shares then held. The new Shares will not rank for the interim dividend referred to below, but will in all other respects (including all subsequent dividends) rank pari passu with the existing issued Ordinary Shares. Fractions arising will be sold for the benefit of Shareholders entitled thereto.

Application is being made to the Council of The Stock Exchange, London, for permission to deal in and for quotation for the new Shares.

For 1970, dividends totalling 28% were paid on the Ordinary Shares, an interim of 12 1/2% (absorbing £18,750) and a final of 15 1/2% (absorbing £23,250). In respect of the current year, the Board have now declared, payable on the present issued Capital, an interim dividend of 15 1/2% (absorbing £23,250) for payment on 1st November, 1971, to Shareholders on the Register at the close of business on 12th October, 1971. In the absence of unforeseen circumstances, the Board would expect to recommend on the capital as enlarged by the scrip issue, a final dividend for the year of not less than 10 1/2% (absorbing £23,250), thus at least maintaining the amount distributed as a final dividend for last year.

At present there is insufficient authorised capital to permit the scrip issue and at an Extraordinary General Meeting on 28th October, 1971, resolutions will be proposed to increase the authorised capital to £300,000 by the creation of 500,000 new Ordinary Shares and to effect the capitalisation issue. After this issue, there will remain a balance of 375,000 unissued Ordinary Shares, but your Directors have no plans to issue any of these Shares at the present time and they will not make any further issue of Share Capital which would effectively alter the control of the Company without prior approval of the Shareholders in General Meeting.

Subject to the resolutions being duly passed renounceable certificates for the new Shares will be posted to the Shareholders entitled on 28th October, 1971.

A. J. HAYNES, Chairman.

SEARS HOLDINGS LIMITED

INTERIM REPORT

ESTIMATED TRADING RESULTS FOR THE SIX MONTHS ENDED 31ST JULY, 1971

| | 1971 £ | 1970 £ |
|--|------------|------------|
| TRADING PROFITS: | | |
| Footwear retailers and manufacturers | 4,927,000 | 3,901,000 |
| Departmental stores | 1,107,000 | 1,702,000 |
| Engineering | 4,147,000 | 3,589,000 |
| Motor vehicle sales and service | 630,000 | 369,000 |
| Jewellery retailers and miscellaneous | 151,000 | 245,000 |
| Sears Industries Inc. (U.S.A.) | 1,337,000 | 1,149,000 |
| | 12,239,000 | 10,955,000 |
| Interest payable, less receivable | 2,631,000 | 2,794,000 |
| GROUP PROFITS BEFORE TAXATION | 9,608,000 | 8,161,000 |
| Estimated taxation | 4,350,000 | 3,800,000 |
| GROUP PROFITS AFTER TAXATION | 5,258,000 | 4,361,000 |
| Attributable to minority shareholders | 600,000 | 585,000 |
| ATTRIBUTABLE TO SEARS HOLDINGS LIMITED | £4,718,000 | £3,776,000 |

NOTES

- The above figures are unaudited.
- For comparative purposes the figures for the six months ended 31st July 1970 have been adjusted for:
(a) the subsequent acquisition of the outstanding minority interest in British Shoe Corporation Limited, and
(b) reductions in the rates of corporation tax applicable to the year ended 31st January 1971.
- The 1970 trading profits from motor vehicle sales and service were calculated after charging over £100,000 in respect of losses arising from the closure of certain branches.
- Trading in the departmental stores has suffered from disturbances arising from major building or re-organisation works at Selfridges and at several of the other stores. The Directors are satisfied with the results of the other activities of the group, having regard to the trading conditions experienced during the half year.
- The outcome of the full year is largely dependent on the course of retail trade during the next few months. The Directors are confident, however, that, in the absence of unforeseen circumstances, aggregate profits attributable to Sears will again show a satisfactory improvement on those of the previous year.

4th October, 1971

22 Park Street, London W.1.

Hull docks probe grain trade decline

HULL, Oct. 4.

IN A BID to find the reason for the serious decline in trade through the port of Hull the city's Chamber of Commerce has set up a study group which begins its investigation with the grain and allied trades.

Figures show that cargoes are down 500,000 tons this year compared with last year. Mr. Geoffrey Samuelson, president, told today's meeting of the Chamber that the study group would ask for details of the costs of handling various commodities so that they can be compared with figures at other ports.

The Docks Board has put up port dues by 40 per cent, and the Hummer this year to help pay for improved facilities.

FAO to watch Commonwealth sugar exports

By Our Own Correspondent

PORT OF SPAIN, Oct. 4. THE UN Food and Agricultural Organisation has promised it will keep "a very close watch" on what happens to sugar exports from the West Indies and other Commonwealth sources when Britain enters the European Economic Community, promised FAO director-general Dr. Addeke Boerma, here.

He has taken up the issue with Dr. Sisco Mansholt, EEC commissioner with responsibility among other things for trade with developing countries.

Dr. Boerma, who was on a visit to Trinidad, said sugar would be one of the main topics on the agenda at the FAO conference next month.

"We feel we must above all defend developing countries," said Dr. Boerma. "We are keeping a very close watch for trade discrimination against developing countries and speaking up in their defence."

Video tapes: 'too much competition'

BY JOHN CHITTOCK, INDUSTRIAL FILM CORRESPONDENT

A SUGGESTION that the application of video tape recording to industry is being hampered by the abundance of competition is contained in a report on video tape recording published today.

The report is one of a series of surveys of equipment and applications in low-cost video tape recording.

It provides a comprehensive, but not too technical, summary of industrial uses of television and the views of a number of industrial companies who have experience in using closed circuit television.

The report is unrestricted in publishing criticisms of certain makes of video tape equipment, although it does not name the actual users where relevant.

The authors also claim that a multitude of companies supplying low-cost television equipment has led to too much business chasing a relatively small market.

Potential and existing customers do not, claims the report, get enough help at local level in realising the full value of video tape recording as an industrial tool.

Price war

Because of the competitiveness of the market, the report asserts that a price-cutting war has started, with companies such as Philips, Ikegami and Rank-Nivico making substantial reductions in the price of belical scan film. Road, London, W.C.1, £3.

No details of the package were immediately available.

Rate for affinity groups and people aged between 12 and 21 and those over 65 will also be cut.

The Dutch airline added it would make proportional cuts on the Amsterdam-Chicago and Amsterdam-Houston routes. It intended to follow the LATA "Montreal package" as far as the Amsterdam-Montreal route was concerned.

Reuters

KLM prepares N. Atlantic fares package

AMSTERDAM, Oct. 4.

No details of the package were immediately available.

Rate for affinity groups and people aged between 12 and 21 and those over 65 will also be cut.

The Dutch airline added it would make proportional cuts on the Amsterdam-Chicago and Amsterdam-Houston routes. It intended to follow the LATA "Montreal package" as far as the Amsterdam-Montreal route was concerned.

Reuters

INDUSTRIAL RELATIONS: THE NEW ACT — 6

The rights of the individual

BY JOHN ELLIOTT, Labour Editor

NEW RIGHTS for workers are included in the Industrial Relations Act which for the first time provides protection against an employee being unfairly dismissed. In addition, there are changes in contracts of employment with requirements for longer periods of notice. Union members are given power to appeal against their unions to the courts, and workers (as has been explained in an earlier article) are given the right to belong or not to belong to a trade union.

Take to court

Finally, although the Act introduces restrictions on those calling strikes, it includes new sanctions on strikers themselves, which means that the individual's right in strike is not changed. On the other hand, an employer also still has the right to dismiss employees who break their contracts of employment by striking, and will also still have his old right, which was seldom used, to take strikers who breach their employment contracts to court.

The Act lays down "the right not to be unfairly dismissed" by creating an unfair industrial practice where an employer does dismiss an employee unfairly. This should not be confused with the concept of "wrongful dismissal" which exists under the common law and involves alleged breach of contract — for example, when an employee is not given the lawful amount of notice.

Wrongful dismissal cases are heard by the ordinary courts and this will continue, at least for the time being. Later, they may be transferred to the Industrial Tribunals, which will be dealing with the new unfair dismissals, once the ITs' case load has settled down.

The onus of proof in an un-

fair dismissal case rests on the employer to show that in fact his action in sacking an employee was not unfair—this means that once a worker complains to the IT, his dismissal is deemed to have been unfair unless the employer provides a good explanation.

The employer's action will be regarded as having been "fair" if he can show that the principal reason why the man was dismissed was because he had not got the necessary "capability or qualifications" (health, skill, aptitude, etc.), his conduct was unacceptable, he had been made redundant, or his employer would have been breaking the law if he had continued to employ him.

In addition, as has already been mentioned, it would be fair for a man to be dismissed for taking part in a strike, or other industrial action—but only providing he does not appear to have been singled out for victimisation, and providing his main "crime" was not that he was taking part in the activities of a registered union at appropriate times. This stems from the basic right to belong to and take part in the activities of a registered union, but does not extend to taking part in the activities of an unregistered organisation — a man could therefore be fairly dismissed for taking part in an unregistered organisation's activities in connection with industrial action.

A lock-out

It would also be fair for an employer to dismiss some or all of his workforce by way of a lock-out, provided he offered them re-employment when the dispute was over and work could resume.

But it would be unfair to dismiss a man for refusing to belong to either a registered union or to an unregistered

organisation (subject to approved closed shop and agency shop arrangements) and for joining a registered union, and it would also be unfair if he had been selected to be made redundant in contravention of an established arrangement or procedure.

But even if the employer successfully shows that the dismissal took place fairly under one of these headings, the IT still has to decide whether the employer "acted reasonably or unreasonably" in regarding the offence as justification for dismissal. It would, for example, presumably be "unreasonable" for an employer to dismiss a man for misconduct if his offence had usually been ignored in the past when committed by others, or if he arrived a little late for work on a rare occasion. A lot of case law is expected to build up on what exactly is fair and reasonable.

Case load

Appeals to the ITs alleging unfair dismissal can only be made by employees with two years' service, except where the alleged unfairness concerns the right to belong or not to belong to a trade union when the man involved need show no length of service and indeed might have been refused initial employment. This two-year qualification could well cut the case load on the ITs by excluding up to 30 per cent of potential cases, and the Government has given assurances that it will consider reducing the qualifying period once it became clear how this section of the Act was operating.

When an IT considers that a dismissal has been unfair and unreasonable it has two remedies. It can either recommend re-employment—which it cannot enforce—on terms which it must lay down, or it can award compensation of up to

£4,160 depending on the amount of pay the man would normally receive per week.

It will only recommend re-employment if it considers this to be practicable—for example, it would be impracticable if the unfair dismissal had taken place as part of a redundancy exercise or if, perhaps to avoid having to take the employee back, the employer had filled the job. Where it does recommend re-employment the IT will lay down the terms—for instance, whether the man should be reinstated in his old job or placed elsewhere.

At this stage something of a poker game could develop if neither the employer nor the employee were in favour of re-employment but neither wanted to put himself in the wrong by being the first to resist the IT's recommendation. This is because, as explained later, any resultant compensation could be weighted against the party which opposed the IT.

If the IT felt that re-employment was not practicable, or if the case arose over a man being refused employment because he did not belong to a union and therefore obviously could not be re-employed, or if an IT re-employment recommendation was not complied with, the IT would award compensation.

Lost wages

The maximum figure of £4,160 is arrived at by setting a maximum compensation of £40 a week, depending on the man's pay, and multiplying it by 104 weeks which is a set figure irrespective of length of service. This 104-week figure would presumably be maintained if the two-year qualification period already mentioned was shortened. The £40 can be varied later—it could be increased to take account of inflation, for example—by Parliament.

The amount awarded would depend on the amount of wages lost by the employee and the degree to which the IT felt that he should be compensated—the Act says the amount should be "just and equitable in all the circumstances." The assessment could be reduced if the unfair dismissal was "caused or contributed to by any action of the aggrieved party"—that is, if the employer had some justification for dismissing the man even though he had done so unfairly.

If compensation became necessary because a re-employment recommendation was not carried out, the IT could vary what would have been its normal assessment depending on who had opposed the recommendation. Therefore, if the original assessment would have been, say, £800, it could go up to perhaps £1,000 if the employer had opposed re-employment or down to £500 if the employee had refused to be taken back.

Free to strike

The IT can also decide that a third party should share the burden, with the employer, of paying the compensation. This would be done where an employer, for example, persuaded the IT that he had unfairly dismissed the man because of pressure from a trade union not to continue to employ him—perhaps because he had left the union.

But if the person exerting the pressure was an authorised official of a registered trade union, the third party would have to be the union itself and not the official (as has already been explained over compensation in cases of general industrial action). Where the official or union was not authorised or registered there is no such restriction.

Throughout all this, the Act in no way debars industrial

action being taken to secure a man's re-employment. Unlike other parts of the Act where it is generally an unfair practice to induce industrial action when the legislation's procedures are being operated, workers are free to strike (although their leaders would have to be authorised by a registered union), or take other industrial action. Such action would be allowed whether or not the case has been taken to the IT and irrespective of any recommendations or awards made by an IT.

This departure from the general approach adopted throughout the rest of the Act stems partly from the fact that since the legislation does not provide for re-employment to be enforceable by law, the Government felt that it should be left open for industrial action to be taken to attempt to secure the enforcement. Secondly, since workers with less than two years' service are generally excluded from the provisions, it was considered more satisfactory to allow for general industrial action rather than attempt to limit it to situations excluded by the two-year restriction.

Employers and unions can arrange with the NIRC for their companies or industries to be excluded from all the Act's provisions on unfair dismissals if a satisfactory voluntary procedure agreement has been negotiated. Where voluntary procedures do not attain this status, workers dissatisfied with their treatment could, of course, appeal to the ITs, hoping for better terms.

The application to the NIRC would have to be made jointly by the employer and union involved (the union need not necessarily be registered but it remains to be seen whether the unions' boycott of the new courts means that they would not be a party to such an application).

The NIRC would have to be satisfied that the union was independent and not dominated by an employer (similar to the

qualification for union registration), and that the procedure agreement in fact provided for employees to appeal against unfair dismissals without discrimination (all employees, if the agreement covered them all, and not just union members.)

The agreement would also have to provide remedies "as beneficial as (but not necessarily identical with) those provided" by the Act. Traditionally most voluntary procedures provide only for compulsory re-employment and not compensation. This would probably be acceptable as equally "beneficial" even though not identical. The agreement must also provide for independent arbitration or adjudication at the end of the road and be precise about which employees are involved.

Contracts

The changes to contracts of employment amend the Contracts of Employment Act 1963. Firstly they reduce from 26 to 13 weeks the period of continuous service which entitles an employee and an employer to one week's notice from each other. Secondly, they give an employee the right to a maximum of six weeks' notice after 10 years' continuous service and eight weeks after 15 years, compared with the 1963 Act's four weeks maximum after five years which remains the requirement for five to ten years' service. The amendments also require additional information to be given in the written statement of an employee's contract of employment to which he is entitled within 13 weeks of starting a job.

The additional information includes sufficient details of holiday entitlements to enable them to be calculated, the employee's right under the new legislation to belong or not to belong to a union and to take part in its activities, the effect of any existing approved closed shop or agency shop on this

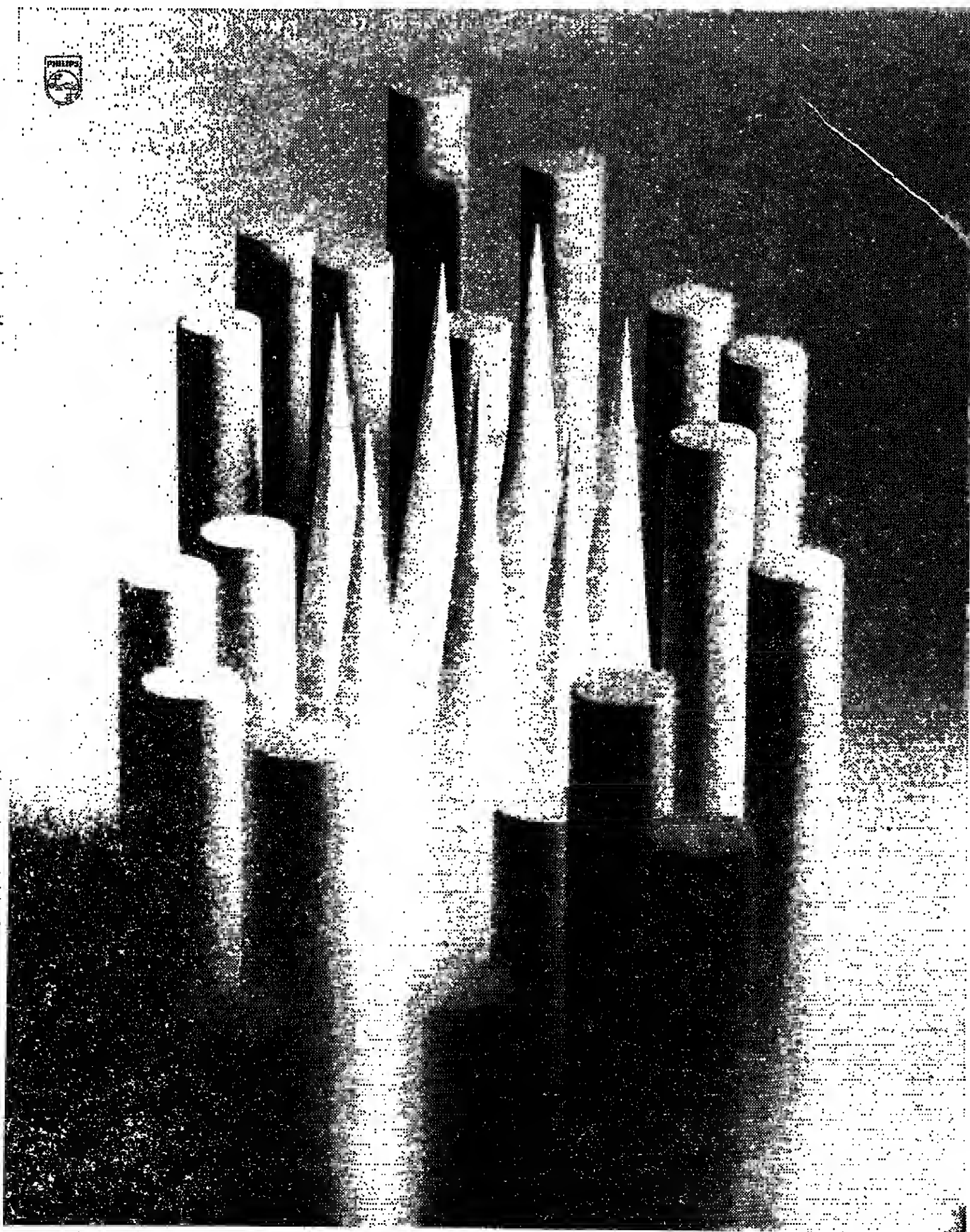
right, the first stage of the concern's grievance procedure (that is to whom he should first complain—normally a foreman), and the subsequent steps in the procedure with a cross-reference to a readily available document on the full procedure.

Union behaviour

Unions members are also given new rights protecting them from decisions taken by their unions against which they may hitherto have had no easy redress. As has already been explained in the article on registration, union members can complain to the Registrar or direct in a tribunal if they feel they have suffered because their union has not abided by the Act's guiding principles on union behaviour—for example, if a union has attempted to discipline them for refusing to take part in an unfair industrial practice or in a political strike.

The most that a member can gain by going to an IT is compensation up to the £4,160 ceiling. But if the complaint was over a case of wider significance—having an election declared void, for instance—the appeal would probably have to be to the NIRC.

The six articles in this series on the Industrial Relations Act are being reproduced in a special booklet which is expected to be available within the next fortnight. Single copies will be on sale at 25p each (plus 3p to cover postage). Bulk orders of 10 copies or more will be supplied at a discount. The exact publication date of the booklet will be announced in due course; advance orders (accompanied by payment) or inquiries should be addressed to the Circulation Department of the Financial Times.



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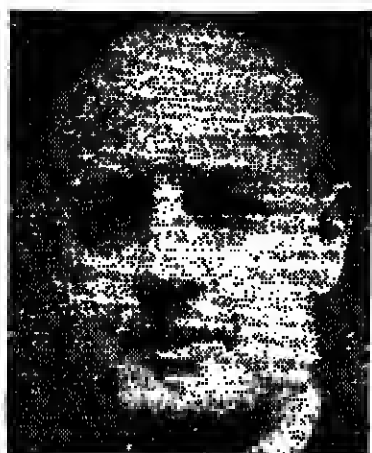
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Speaking to AGB Research shareholders yesterday the Chairman, Mr. Martin Madden, said:

We shall take full advantage of our opportunities

The good health of the company in 1970/71 can be gauged by three key indicators:

Number Employed up on previous year by 9%
Turnover up " " " " " " 13%
Pre-tax Profits up " " " " " " 23%

The company's performance fully justifies the recommended increase in dividend and the further bonus issue.

The first four months' trading this year confirms my confidence that 1971/72 as a whole will prove another year of substantial growth.

The provision of management services to industry, in which market research is an important element, is an expanding field of activity in the advanced economies on either side of the

Atlantic. AGB Research is a major growth force in this sector of the economy.

Earlier in 1971 we acquired two specialist research companies and started two new services. We have now launched the Toiletries and Cosmetics Purchasing Index which is being syndicated under contract; already four of the largest manufacturers have signed agreements to subscribe for regular information on this £150 million market. Further new services will follow.

We are also taking steps to ensure that the AGB Research Group shares in the profitable development of market research on the continent of Europe.

This is a year of opportunities. They are opportunities for which AGB Research has been preparing. We shall take full advantage of them.

| | 1970/71 | 1969/70 |
|---|------------|------------|
| Turnover | £1,946,734 | £1,727,770 |
| Profits before Tax | 300,685 | 243,303 |
| Profits after Tax | | |
| attributable to AGB Research | 172,090 | 123,807 |
| Net Cash Flow | 172,093 | 186,806 |
| (after dividends of £102,300 for 1970/71 and £23,680 for 1969/70) | | |
| Earnings per share | 5.2p | 4.1p |

Copies of the Report and Accounts can be obtained from the Company Secretary.

AGB Research Limited

40 BROADWAY, LONDON SW1H 0BY 01-839 5291

INDIVIDUAL SURVEYS • SYNDICATED RESEARCH INTO CONSUMER DURABLES AND PACKAGED GOODS • TELEVISION AUDIENCE MEASUREMENT • COMPUTER SERVICES • COMPUTER MICROPRINT



ODDENINO'S

PROPERTY AND INVESTMENT COMPANY LIMITED

Highlights from the Chairman's Statement for the year ended 31st March, 1971

- * The turnover was £7,780,000 compared with £7,017,000 last year.
- * The pre-tax profit rose by over 45% and the profit after tax and minority interest rose by over 75%.
- * A 3½ points increase in the dividend for the year, from 16½ to 20% per 25p ordinary share, is recommended.
- * A 1 for 2 bonus issue is proposed.
- * The profits of the Hotel Division are planned to double within six years despite a temporary halt during the current year due to major expenditure on improvements to the White House and the Athenaeum Court Hotel.
- * The possibilities for a continuance of the Company's growth are better than ever before.

Company car still most sought after perk

By John Hunt

A COMPANY CAR is still the most popular fringe benefit among businessmen and remains a "jealously guarded privilege" mostly enjoyed by company directors and salesmen.

In a survey by Market and Opinion Research International, 82 per cent. of the companies questioned said that directors had a company car, and 80 per cent. provided them for salesmen.

However, the survey showed that the potentiality of fringe benefits to motivating management and staff is as yet scarcely exploited by British industry.

"The findings point to large tracts of virgin territory for would-be advisers to industry on the possibilities and benefits of more radical thinking about use of fringe benefits," says the Director, Journal of the Institute of Directors, which publishes the survey in its October issue.

Other popular benefits were contributory pensions, provided by 79 per cent. of the companies; travel and accident insurance, 72 per cent.; commissions and bonus schemes, 68 per cent.; and moving expenses, 56 per cent. Subsidised lunches were provided by 56 per cent., with nearly half making them available to all employees.

Directors dominated the picture as far as "top hat" pensions were concerned. But only about 32 per cent. of directors were covered and one-third of the companies used such schemes as benefits.

British companies had been very cautious in introducing some benefits which are popular in the U.S. Only 12 per cent. used share incentive schemes and 8 per cent. of the directors participated in them. A mere 4 per cent. of the companies made loans for share purchase.

In the U.S. the average cost of fringe benefits was 27.4 per cent. of payroll. The survey concluded that in Britain the average is nearer 5 per cent., while 17 per cent. of the companies questioned said simply that they did not know.

The survey, made for International Life, an insurance company, was based on 310 interviews with companies each employing more than 25 people.

FAGS autumn meeting

THE Financial Advertising Golfing Society concluded their 1971 season when their autumn meeting was attended by 35 members from New Zealand Golf Course, Weybridge.

The morning single Stableford competition for the Streets Cup and a Ronson table lighter was won by Doo Peat of St. James's Advertising with 43 points. Runner-up was the Dorland (City) factory was Tony Davies of Foster Turner and Benson, 42 points. Further prizes according to handicap were won by Keith Taylor (Investors Chronicle), Ken Braddoo (Daily Express), Brian Stockdale (St. James's Advertising), and Philip Falk (Stephens Advertising).

The morning round also saw the completion of The Times Spring/Autumn Stableford combined aggregate competition and The Times Trophy together with a copy of The Times World Atlas went to Keith Taylor of the Investors Chronicle who scored 77 points.

The afternoon Foursome Stableford competition for prizes presented by Foster Turner and Benson was won with 38 points by Bill Langley (Dorlands (City)) and Alan Williamson (Financial Times). Runner-up prizes were won by Brian Stockdale (St. James's Advertising) and Donald Speece (Vickers) with 35 points. The third prize of an annual subscription to Golf World presented by that paper was won by Chris Jacques (Guardian) and Mike Lomax (Foster Turner and Benson). All prizes for the day's play were presented to the winners by Mr. Geoffrey Rowett, general manager of The Times Newspapers.

The council's field unit which made the report says it is concerned at the lack of training, and a working party is to consider ways of improving the situation. One bright spot noted in the report is that specialist manpower has doubled in the last 15 years—with nine people a year becoming specialists in rheumatology in that time.

According to a report published by the Arthritis and Rheumatism Council, some medical schools give no formal training at all in rheumatic disorders. The report gives an average of only 30 hours out of a medical student's three-year clinical course.

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Because of the economic measures introduced recently by the U.S. Government—including a price and costs freeze—shipping lines in the North Atlantic Westbound Freight Association have announced that the higher freight rates they expected to impose from the U.K. and Eire to north and south Atlantic U.S. ports from October 17 will not now take place.

Unless further developments enable the higher rates to be introduced earlier, the effective date of the new rates structure is postponed until November 18.

Atlantic Assets Trust Limited

Record Valuation—Total Assets Exceed £26m.

THE FIFTY-NINTH ANNUAL GENERAL MEETING OF ATLANTIC ASSETS TRUST LIMITED will be held on 28th October, 1971 at the registered office of the Company, 1 Charlotte Square, Edinburgh.

The following is the Review of the Chairman, Sir Alastair Blair, K.C.V.O., W.S., which has been circulated with the Report and Accounts for the year ended 30th June, 1971.

As I predicted a year ago, we have again passed through a difficult year, but the final outcome has not been unsatisfactory. Our valuation achieved a new record and our gross income was slightly better. With the acquisition of Edward Bates eighteen months ago, the proportion of unquoted investments was substantially increased. The valuations placed on the holding in Edward Bates, and the large unquoted holding of Save & Prosper Group, have remained unchanged during the year, and the whole of the rise in our total valuation comes from our other investments.

We feel that during the year we have been able to consolidate the large gains made in the past and we are now giving considerable thought to our future development.

Edward Bates & Sons—considerable benefits envisaged

The changes we have made by which I took over the Chairmanship of Edward Bates & Sons (Holdings) Limited and Mr. James Gannell, a partner in Ivory & Sims, became Chairman of Edward Bates & Sons Limited, the bank and operating company, have resulted in the activities of Bates becoming more fully integrated with our own and we look for very considerable benefits from this investment in the future. The foundation of any business, particularly in the financial world, is people and our main concern for Bates is to recruit and train a young team to support the small and very active management team that we took over with the company. It may be a little time before the new recruits bring results in increased profits, indeed, the immediate result is increased expense. Nevertheless, we are convinced that this is the right way to prepare to take advantage of the opportunities which continue to increase.

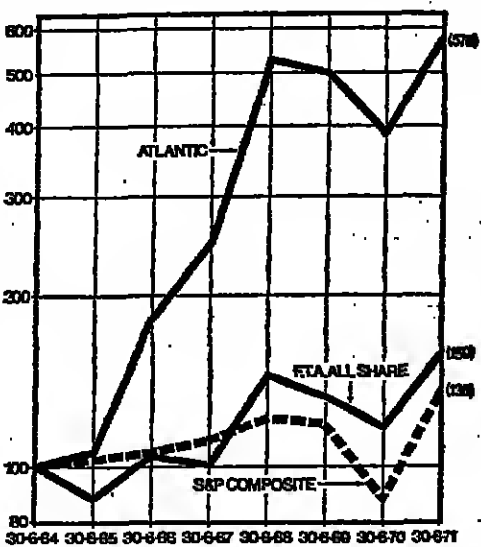
Another eventful year for Pennzoil United

Pennzoil United, our largest American investment, had another eventful year. The large Sierra copper mine came into full production; the holding in United Gas Inc. was sold; and a new subsidiary, Pennzoil Offshore Gas Operators Inc. (POGO) was formed to search for gas in the Gulf of Mexico. POGO raised \$120,000,000 by the issue of shares and convertible debentures through an underwriting syndicate in which Bates participated. We subscribed for \$500,000 Convertible Debentures and 16,500 Shares. POGO and its partners obtained nine blocks in the lease sale in December 1970. A number of wells have already been

drilled and, while no details of discoveries have been announced yet, we expect major benefits to result from our shareholdings in both POGO and Pennzoil United.

Interests in North Sea Oil Projects

Nearer home, oil in the North Sea has captured the imagination and Bates has promoted two companies, Caledonian Offshore Company Limited and Viking Oil Limited, to join with American partners in the search for oil. Caledonian Offshore Company is in partnership with Placid Oil Company of Dallas and Viking Oil is in partnership with Hunt International, both companies being members of the H. L. Hunt Group. We subscribed for shares in both issues and in addition Bates received 5% of the shares of Caledonian Offshore and Viking Oil as a fee for promoting these companies.



Growth of asset value per ordinary share compared with Financial Times-Actuaries All Share Index and Standard and Poors Composite Index (30th June, 1964-100)

The Outlook

After a year of Conservative Government it looks as though both risks and opportunities are on the increase. This is a climate in which we are happy to operate. We are disappointed that the Chancellor has not so far been able to carry out the removal of capital gains tax from investment trusts, as recommended by Mr. Heath in 1965, but we look forward confidently to his budget next year.

The United States appears to be running into many of the problems which this country has faced during the last few years but we remain confident that that great country will have the resilience to overcome them.

Summary of Results

| | Year Ended 30th June, 1971 | Year Ended 30th June, 1970 |
|--|----------------------------|----------------------------|
| Total Group Assets | £26,082,911 | £20,101,079 |
| Group Net Assets available for holders of Ordinary Shares after deducting prior charges at par | £17,499,313 | £11,934,485 |
| Equivalent per Share to | 78p | 53p |
| Total Income—before Interest and Expenses | £601,512 | £596,924 |
| Earned per Ordinary Share | 0.65p | 0.65p |
| Proposed Dividend per Ordinary Share | 0.63p | 0.63p |

South Africa pump makers rationalise

AN AGREEMENT between the Glasgow-based Weir Group and the London-based Harland & Wolff provides for Vivian-Harland Engineering Company (Proprietary) of Benoni, near Johannesburg, to be owned 60 per cent. by the Harland & Wolff group and 40 per cent. by Vivian-Harland Engineering Company (Proprietary), a wholly-owned subsidiary of Vivian-Harland is at present jointly owned by Harland Group Holdings South Africa and J. H. Vivian and Co., a wholly-owned subsidiary of Harland & Wolff.

The arrangement will facilitate the merging of the Harland & Wolff and Vivian-Harland pump manufacturing operations at Vereeniging with that of Vivian-Harland in Benoni. It will lead to a considerable expansion in the volume and range of pumps supplied by Vivian-Harland and to significant rationalisation in South Africa's pump manufacture," Weir says.

Just the ticket for Czech buses

SETRIGHT REGISTERS, a member of the British Match Group, has won a £25,000 order for its ticket issuing machines from Czechoslovakia's state bus company.

The order, for Setright's speed model machine, brings the business the company has done with Czechoslovakia so far this year to £70,000.

Bulkmobile, of Sudbury, Suffolk, which announced in August the signing of a contract in Prague for 14 bulk vehicles have concluded a further contract with Czechoslovakia. Bulkmobile equipment and spares to an approximate value of £18,000 have been bought by Motokov.

BHS OPENS ITS 95th STORE

British Home Stores will open its fourth store in Scotland at Hamilton, on Thursday, bringing the total number in the chain to 95. A fifth store is planned for Aberdeen and is due to open in the second half of 1973.

COURT BROS. (FURNISHERS) LTD.

Summary of Report and Accounts of the group for year ending 31st March 1971 and salient points from the Chairman's Statement.

| | 1971 | 1970 |
|--|-------------|-------------|
| Turnover | £13,746,000 | £11,539,000 |
| Profit before Taxation | £1,495,000 | £1,087,000 |
| Profit after Taxation | £910,000 | £608,000 |
| Available for Ordinary Dividends | £802,000 | £491,000 |
| Ordinary dividends (gross) | £261,000 | £244,000 |
| Deferred profit, provision | £249,000 | £244,000 |
| DIVIDENDS AND SCRIP ISSUES—The Directors propose a dividend of 12½% on the Ordinary and Non-Voting 'A' Ordinary Share capital which with the interim makes a total for the year of 20% on the capital as increased by the 1 for 10 bonus issue made in October 1970. The Directors propose to make an issue of one Non-Voting 'A' Ordinary Share for every 4 Ordinary or Non-Voting 'A' Ordinary Shares held on 4th October 1971, and it is intended to maintain this year's rate of dividend on the share capital as increased by this bonus issue. | | |
| PREMISES—During the year trading commenced at new branches in Great Yarmouth, Lewes, Tunbridge Wells and Erit, and we moved to new larger showrooms in Guildford. Alterations and improvements were also carried out at several other branches. Overseas trading commenced in fine, large purpose-built stores in Montego Bay, Jamaica, and in Sova, Fiji. During the current year a branch opened in Great Malvern in September, and three more new branches are already scheduled to open in the coming few months. Overseas a new branch in Mount Isa, Australia, commenced trading at the beginning of July. | | |
| THE FUTURE—Turnover and profits for the current year so far compare satisfactorily at home and overseas with the same period last year. I believe that, subject to any unforeseen circumstances, satisfactory results will again be achieved this year. Our policy will continue to be the promotion of efficient and profitable trading in all areas, and our programme of steady sustained expansion will be geared to the furtherance of this aim. | | |

Parker-Knoll

Limited

Extracts from the Statement by the Chairman, Mr. C. H. Jordan, to be made at the Annual General Meeting on 29th October, 1971.

The profit for the year at £347,236 is a new record and your Directors are pleased to recommend a final dividend of 9% making a total for the year of 12% (1970—a total of 6%). The final amount of the life claim has been agreed and is included in the accounts to 31st July, 1971.

The Furniture companies have had a successful year and our chairs, action chairs and settees continue to be well received by the retailer and the public. Further extensions are to be made to the Chipping Norton factory to ensure that our quality and service is outstanding.

The Textile companies have continued to expand and additional premises have been acquired adjacent to the present warehouses.

The work of the last two years enables us to look forward with confidence and if the aims of the Government are achieved then the current year should again be successful.

U.S.A. • CANADA • AUSTRALIA • BELGIUM • FRANCE • UNITED KINGDOM
HEAD OFFICE: 52 BERKELEY SQUARE, LONDON, W1X 6EH

WALL STREET + OVERSEAS MARKETS

Gains cut after Dow passes 900

BY OUR WALL STREET CORRESPONDENT

CONTINUING a rising trend set last Thursday and Friday, the market closed with a slight gain on Wall Street today.

But the three-day rally seemed at its end, with the market unable to hold a substantial part of its gains during the second half of the session.

The Dow Jones Industrial Average which passed the 900 mark for the first time in 1967, closed 1.68 up at 905.65. Trading volume rose to 14.57 million shares on Friday.

Advancing issues outnumbered declines by about 6 to 1. At the close, the S&P 500 Industrial Index was up 24 cents.

Analysts pointed out that a latent confidence in the economy once again was influencing the market. They also noted that some estimates indicated a rise of up to 20 per cent in profits next year.

The moderate volume was attributed in part to investors continuing to await details of President Nixon's plans for Phase 3 of his economic programme.

Among issues showing sharp changes was Disney, down \$9.41 to \$99.75. Among other gains, Polaris dropped \$3.10 to \$96.10. Corning Glass \$1.10 to \$23.55 and Bausch and Lomb \$1.10 to \$13.10.

RCA was active and closed with a gain of \$9.71. Computers were firm. IBM and Honeywell showed small gains. University Computing fell \$1.23 to \$23.10.

Gold and silver mining issues edged. Homestake Mining, Intercontinental Mining, Dome Mines and Campbell Red Lake, Hecla Mining and Sunshine all showed losses.

In Airlines, Pan American and American Airlines rose. But Continental fell \$1.20 to \$23.10. Braniff closed at \$13.75, down \$1.

General Motors closed with small gains, Chrysler fell \$1 to \$89.90. Dow Chemical and Monsanto showed small losses, and Dupont and Union Carbide small gains.

Bankers Trust fell \$1 to \$54.10. First National City Bank was unchanged. Chase Manhattan fell \$1 to \$51.10.

Shell Oil closed at \$43.10, up \$1. Occidental Petroleum closed at \$15.50, unchanged.

U.S. Steel, Republic and Bethlehem all gained, but National Steel fell \$1 to \$40.10.

The American Exchange Index rose .02 to 35.51. Advancing issues outnumbered declines 493 to 414 with 233 unchanged. Volume totalled 4,270,000 shares.

Anthony Industries gained \$1 to \$19.20. McCulloch Oil \$1 to \$31.10. Superior Oil \$1 to \$30.10. Syntex fell \$1 to \$65.50.

OTHER MARKETS

Canada higher

Prices closed higher in very light trading on the Canadian stock markets yesterday.

The Toronto Industrial Index

added 0.73 to 171.55. Golds last Thursday and Friday, base metals improved 0.10 to 70.35. Western Oil \$1 to \$24.90.

Oils gained 1.07 to \$24.90. Maclean-Hunter Cable closed at \$90.25, up \$1.10.

The Montreal Industrial Index gained 1.08 to close at 178.68.

PARIS—Quietly mixed with minor underdone. Chemicals, however, tended firm. Among Electricals, Moulinex rose after announcement of higher six-month earnings, and Lait and Sigmund closed.

Bad Equipment fell back in Banks and Financials.

The Pinyon Bond was maintained. Aquitaine rose in mixed Oils, while Carrefour and O'real fell.

Belgian and Dutch stocks were maintained in a mixed Foreign sector.

AMSTERDAM—Royal Dutch extended its recent rise in marginally higher international. AKZO edged lower and Plantations were led down by Dell.

Shippings staged a further sharp rise. Most Insurances edged higher, but in mixed local Index, OCE-Val de Graten continued its recent decline.

Lucas Bols was another weak spot. Albert Heijn also lost ground, but Naardene-Chemie and Berke's Patent advanced.

In Banks, Algemeene Bank Nederland eased. Investment Funds were usually firm. In generally well-maintained State Loans, high-coupon issues weakened slightly.

MILAN—Firmly trading caused a generally easier close after an initially firmer opening. Fiat and other leading Industrials lost much of previous gains. Montedison however was resistant.

Property shares joined the downturn, while Insurances were mixed. Financials were again in demand with Bastogi, Italpi and S&S up. Unchanged.

Bonds were well disposed.

SWITZERLAND—Tended slightly mixed in listless trading. Banks and Financials were irregular while Insurances closed

well maintained. Foods and Chemicals were slightly irregular, but State Bonds generally were barely maintained.

Dollar stocks tended higher, with Control Data, Dupont and General Motors distinctly firmer. Dutch shares generally closed maintained except for Philips which weakened slightly.

GERMANY—Generally up to DM4 lower and in some cases down to the continuing monetary crisis. Leading Chemicals, and electricals were lost. In wheat, led down by Dresdner Bank.

In Motors BMW and Daimler fell. Veba, trading ex-Rights, at DM10.80. Bonds continued firm, with Public Issues gaining.

BRUSSELS—Firmly on bear covering, although trading was rather thin.

Union Miniere, Sofina, Gevaert, Solvay, Acec and American Petroleum rose. Well-maintained issues included Cie Lambert, Petrofina,

NEW YORK, Oct. 4

Canadian Petrofina, Arbed, Kellogg and Wagon-Lit.

Societe Generale and Cockerill were unchanged. Genstar advanced in heavy trading on the higher interim dividend.

Jersey Standard was firm in American shares. Golds were barely changed. Royal Dutch, Uglie Kuhlmann, Peugeot and Faribas all firmed.

OSLO—Banks barely steady. Insurances quiet. Industrials irregularly active and Shippings barely steady.

VIENNA—Continued firm with Building shares among improved issues. Banks were unchanged.

COPENHAGEN—Mixed in moderate trading with a firmer undertone. Reimster and Wain were among the active shares.

STOCKHOLM—Irregular. S&S up. S&S declined in limited trading chiefly on profit-taking, as dealers became reserved after five days of rising prices.

Automobiles were lower on profit-taking. Nissan Motor, Isuzu Motor and Toyota Motor fell.

Oil refineries were also lower for similar reasons, with Shells Oil, Marzetti Oil and Toa Nenryo down.

In contrast, damage insurances rose led by Tokio Marine and Dai-ichi Kangyo Bank. Nissin Fire also gained.

The market was not materially affected by growing expectations that the Bank of Japan might balance another cut in its official discount rate.

Some leaders were also easy, with Sony, TDK Electronics and Pioneer lower.

JOHANNESBURG—Mixed. Consolidated Murchison fell on balance after slight initial firmness, influenced by overseas Press comment.

Small London interest was noted in Platinum, especially for PP and Gold. Gold started firmer, easier start. East Driefontein, Elsberg rose.

SYDNEY—Closed: public holiday.

MELBOURNE—Mining, Oil and Industrial shares were mixed in quiet trading.

Rougeville sold down to \$13.60 before recovering to close at \$14.20, down 20 cents from Friday's level.

Western Mining dropped 8 cents in one of the few bursts of activity on balance after eight initial firmness.

Rougeville fell 12 cents to \$22.25. Great Boulder was 5 cents lower at \$12.95 and Metals Exploration fell 2 cents to \$3.05, but Hamersley added 15 cents to \$2.60.

Spargus was 2 cents higher at \$5.55.

Aberfoyle lost 3 cents at \$3.35, and Selat was marginally lower at \$1.35.

Oil, adding a bright spot among the Oils, adding 10 cents at \$3.20, while Endeavour put on 1 cent to \$1.08. Endeavour was marginally higher at 9 cents. Beach added 34 cents. AGC slipped 7 cents to \$1.50.

MONEY + EXCHANGES

Adequate credit

Bank Rate 5% (Sept. 2, 1971)

Credit was in adequate supply in the Discount market yesterday, although some houses found conditions short in the morning, with most money coming on offer after lunch. The authorities did

not need to assist the market. Treasury bill payments were against the market's favour, but these were balanced by an increase in note circulation after the week-end, and above target balances at the banks.

A rate of 4 per cent was paid for secured day-to-day loans during the morning, with rates in the afternoon ranging between 3 per cent and 4 per cent.

Overnight, 3-day notice, 1-day notice, 2-day notice, 3-day notice, 4-day notice, 5-day notice, 6-day notice, 7-day notice, 8-day notice, 9-day notice, 10-day notice, 11-day notice, 12-day notice, 13-day notice, 14-day notice, 15-day notice, 16-day notice, 17-day notice, 18-day notice, 19-day notice, 20-day notice, 21-day notice, 22-day notice, 23-day notice, 24-day notice, 25-day notice, 26-day notice, 27-day notice, 28-day notice, 29-day notice, 30-day notice, 31-day notice, 32-day notice, 33-day notice, 34-day notice, 35-day notice, 36-day notice, 37-day notice, 38-day notice, 39-day notice, 40-day notice, 41-day notice, 42-day notice, 43-day notice, 44-day notice, 45-day notice, 46-day notice, 47-day notice, 48-day notice, 49-day notice, 50-day notice, 51-day notice, 52-day notice, 53-day notice, 54-day notice, 55-day notice, 56-day notice, 57-day notice, 58-day notice, 59-day notice, 60-day notice, 61-day notice, 62-day notice, 63-day notice, 64-day notice, 65-day notice, 66-day 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TEAS—Continued

For Notes, see Stock Exchange Dealings.

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Index fell 2.1 to 404.8

THE LEX COLUMN

So far, so good at Sears Holdings

Sears "A" have come in for a certain amount of stock-brokers' stick recently: the shares had virtually trebled from 55p in early 1970 to a peak of 161p and the extent and speed of the rise, said the bears, left nothing to go for. The weakness of the argument, effective though it has been in the short term, was that Sears' re-rating from the garbage stock category (9 p/e, April 1970) to a growth share would be difficult to reverse while the group was still growing: and growing it still is. The first half of 1971-72 has produced pre-tax profits 181 per cent higher at £9.7m, and a net attributable 25 per cent, better at £4.7m.

Yesterday's 5p recovery in the "A" to 146p reflects the position to date: encouraging, but inconclusive given that a full 73 per cent of Sears' 1970-71 earnings came through in a very strong second half. The major strong points of this year's first half, as expected, were footwear and engineering, up by £1m, and over £1m, respectively, before tax and interest; the

near-£800,000 drop to £1.1m. in department stores is due to major building or reorganisation works—the new hotel at Selfridges, for example—which may also disturb trade in the August/January period. Sears will probably be very surprised if the footwear side does not produce higher second half profits. It could have done with a wet September, but the volume growth is still there with multi-tune suedes and platform shoes taking over where boots left off last year; margins, too, have further room for improvement. At Bentley Engineering, the worry was redundancies coupled with the possible effects of the U.S. import surcharge: Sears' reply to the first point is that it was concentrating its effort in knitting machinery where it had a massive forward order book, while on the second the product itself is not price sensitive.

In stores, the hope is that the second half will pull back some of the first half decline. So the group could ease back considerably in some areas and still

produce, say, a 10 per cent second half improvement to take earnings up to 8.8p a share and the prospective p/e down to 16.8. At this level it would be difficult to justify a further "sell" recommendation in the short term.

See also Page 24

Pneumatic controls

The 1970-71 results from Enots take us, with luck, through chapter two of the torrid public life of pneumatic control manufacturers. Chapter one, it will be recalled, started with the very successful offer for sale of Martonair back in 1969, promptly followed by a quotation in fancy multiples for Enots and Norgren Shipston.

The handwagon ground to a halt a year ago when Enots missed its forecast by a mile while Norgren's optimism became progressively more muted. In fact the latest Enots figures only confuse the present industry trend. A profits jump of three-quarters in the second half to July—after a 48 per cent fall in the first—compares with a period when non-

recurring stock issues on brass helped to slice profits by nearly two-thirds, while a 13 per cent sales fall in the second six months takes in rationalisation of unprofitable product lines. At least sales have now levelled out, which is a comforting contrast to the industry background with fluid power equipment—admittedly including hydraulics—showing a 24 per cent drop in orders in hand in June.

Norgren also confirms the rather firmer trend which is first reported in July: both groups have plenty of spare capacity, and both need to be right about a 1972 orders improvement with Enots on a p/e of 18.5 and a 14.4 multiple for Norgren.

Martonair, meanwhile, has never faltered from its growth path, and the most obvious explanation is its international spread, with the U.K. now only taking around 25 per cent of sales. That means its 19 per cent sales growth in the six months to January should accelerate over the year: at the same time its U.K. business is on a firmer base with negligible

sales to the machine tool manufacturers, which take a "significant" proportion of Enots' production. The shares have slipped 13 per cent in the past fortnight which may be an unsettling trailer to the 1970-71 results, yet a historic p/e of 18.4 still seems to have more appeal than the competition.

Motor dealers

Understandably, Bristol Street Group's interim statement indulges in some eye-catching forecasts—with £1.3m. pre-tax for 1971 and £1.8m.-£2m. for 1972, against £1.1m. in 1970—to offset the inevitably dismal first half, when the group only received just over a fifth of its expected Ford deliveries, what with the nine-week strike and the technical problems of the Mark 3 Cortina. Hence a decline in January-June from £547,000 pre-tax to £507,000, equivalent to a 22 per cent shortfall after adjusting for the new acquisition, Byatt. Fortunately Bristol Street has Vauxhall and Chrysler franchises to dilute the Ford problems, which anyway are easing now.

Elsewhere, Oliver Rix has been struggling with first-half management problems which look a good deal more enduring: after six months, profits are just £46,000 before tax. Ahead of a major reorganisation the shares at 6p are left in no man's land, though for a group with half sales of £18.4m., against £22.4m. for Bristol Street, a capitalisation of only £3.5m. against £10.9m., is at least not taking very much for granted. As for Bristol Street, earnings are scheduled to rise from around 8.9p a share this year to 12.9p next, dropping the p/e from 14.1 to just under 10 on a 1972 basis. Certainly overall market prospects are good, with 1.3m. U.K. car registrations widely expected in 1972. There are whispers in the trade that Ford is unlikely to regain its one-time U.K. volume, especially as imports (where Bristol Street is only now building up) have taken a fifth of the new car market. But a buoyant used car market and the current boost for the HP subsidiary should underpin the current share rating.

WGS

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Weather

U.K. TO-DAY

Most places will be dry with sunny spells, although over North and West Scotland it will be mostly cloudy with a little rain at times. Temperatures will be similar to or a little higher than yesterday in most places, but SW areas will be somewhat cooler.

London, S.E., Cent. S., E. Cent. N. and N.E. England, E. Anglia, E. Midlands.

Dry. Sunny spells. Mist patches early. Wind SE light. Max 15°C (59°F).

Wales, S.W. and N.W. England, W. Midlands, Lakes, I. of Man, S.W. Scotland, Glasgow, Argyll, S.W. Ireland.

Rather cloudy, but mainly dry apart from a little rain at first. Bright or sunny intervals later. Wind SE light. Max 15°C (59°F).

Channel Is.

Mostly dry, but rather cloudy. Wind SE light. Max 15°C (59°F).

Borders, E. Scotland, Edinburgh

Dry. Sunny spells. Mist patches early. Wind S light. Max 15°C (59°F).

Rest of Scotland

Rather cloudy with a little rain at times. Wind S moderate, locally fresh. Max 13°C (55°F).

BUSINESS CENTRES

| City | Y-day | Mon-day | Tue-day |
|--------------|-------|---------|---------|
| Amsterdam | 15.20 | 15.20 | 15.20 |
| Bombay | 15.20 | 15.20 | 15.20 |
| Buenos Aires | 15.20 | 15.20 | 15.20 |
| Calcutta | 15.20 | 15.20 | 15.20 |
| Canton | 15.20 | 15.20 | 15.20 |
| Cebu | 15.20 | 15.20 | 15.20 |
| Hankow | 15.20 | 15.20 | 15.20 |
| Hong Kong | 15.20 | 15.20 | 15.20 |
| Kobe | 15.20 | 15.20 | 15.20 |
| London | 15.20 | 15.20 | 15.20 |
| Lyons | 15.20 | 15.20 | 15.20 |
| Manila | 15.20 | 15.20 | 15.20 |
| Medan | 15.20 | 15.20 | 15.20 |
| Osaka | 15.20 | 15.20 | 15.20 |
| Shanghai | 15.20 | 15.20 | 15.20 |
| Singapore | 15.20 | 15.20 | 15.20 |
| Sourabaya | 15.20 | 15.20 | 15.20 |
| Tokyo | 15.20 | 15.20 | 15.20 |
| Yokohama | 15.20 | 15.20 | 15.20 |

HOLIDAY RESORTS

| City | Y-day | Mon-day | Tue-day |
|--------------|-------|---------|---------|
| Algeria | 15.20 | 15.20 | 15.20 |
| Antwerp | 15.20 | 15.20 | 15.20 |
| Batavia | 15.20 | 15.20 | 15.20 |
| Bombay | 15.20 | 15.20 | 15.20 |
| Buenos Aires | 15.20 | 15.20 | 15.20 |
| Calcutta | 15.20 | 15.20 | 15.20 |
| Canton | 15.20 | 15.20 | 15.20 |
| Cebu | 15.20 | 15.20 | 15.20 |
| Hankow | 15.20 | 15.20 | 15.20 |
| Hong Kong | 15.20 | 15.20 | 15.20 |
| Kobe | 15.20 | 15.20 | 15.20 |
| London | 15.20 | 15.20 | 15.20 |
| Lyons | 15.20 | 15.20 | 15.20 |
| Manila | 15.20 | 15.20 | 15.20 |
| Medan | 15.20 | 15.20 | 15.20 |
| Osaka | 15.20 | 15.20 | 15.20 |
| Shanghai | 15.20 | 15.20 | 15.20 |
| Singapore | 15.20 | 15.20 | 15.20 |
| Sourabaya | 15.20 | 15.20 | 15.20 |
| Tokyo | 15.20 | 15.20 | 15.20 |
| Yokohama | 15.20 | 15.20 | 15.20 |

S-Sunny, F-Fair, C-Cloudy, R-Rain, D-Drizzle.

Stormont reconvenes to-day for crucial session

BY JOHN GRAHAM

PARLIAMENT reconvenes at Stormont to-day with the official Opposition maintaining its position on the EEC. Mr. Faulkner, Prime Minister, under constant and possibly critical pressure from among his fellow Unionists. One way or another, the session will determine Northern Ireland's future.

None of the members of the Social Democratic and Labour Party (Catholic) will be present. Mr. Ian Paisley and Mr. Desmond Boal, who are no longer in the official Unionist Party, may actually sit on the Opposition benches and the Government expects Mr. Paisley to introduce a motion of censure.

Three tasks
Mr. Faulkner has three immediate tasks: to carry on as far as possible the actual governing of the country; to achieve sufficient improvement in the security situation to prevent a further slide into anarchy; and to hold his own team intact against a steady drip of defections. So far his Administration has remained behind him, though there has been much speculation surrounding Mr. John Taylor, the Junior Minister for Home Affairs; the Unionist defectors have so far been outside the Government.

The Government will propose two Bills to deal with specific effects of the disorder in the province. Firstly, there will be a Bill to appoint an administrator

for those local councils whose members are refusing to attend. This is especially necessary in highly Catholic areas such as Strabane.

Secondly, there will be a Bill directed against the civil disobedience campaign. This campaign has led Catholics to withhold payment of rents and rates and is seriously affecting local government in some areas. The Government will propose a Bill to deduct money at source from supplementary allowances. Later in the session, the Government will publish its consultative document on the future method of governing the province, including its suggestions for proportional representation.

More urgent than the nuts and bolts of governing is the need for an improvement in the security situation. The Government is expected to continue to emphasise the line that the army is gradually getting things under control and, indeed, there has been some success in the past few days. The past week-end was quieter than its predecessors and yesterday the army made what it called "a significant find" of arms.

In an empty house in Belfast an Army search party found no fewer than 11 rockets—the first such find—in addition to pistols, a high-velocity rifle with telescopic sights, grenades, two bullet-proof vests and various types of ammunition. There had

earlier in the day been at least two gun battles in Belfast, one of them lasting two hours or so. Desperate IRA men being steadily picked up by the Army, the number of daily incidents remains at a very high level. The Army claims it is making progress against the terrorists, but admits that there are still plenty of gunmen and bombers at large. However, many of the bombs that have recently been placed have either not exploded or have killed the people who were placing them and this has suggested to some that the IRA's expert armed ranks have been reduced to the point where far less experienced guerrillas have to be used.

Pressures
As the pressure of violence continues, so the political pressures on Mr. Faulkner intensify. Mr. Paisley and Mr. Boal are planning to announce a new political party, composed of disaffected Unionists and determined on a tougher line. These are two politicians with strong support in the country, as is Mr. William Craig, who has not yet joined them, but is totally opposed to the Prime Minister. People of all opinions in Belfast admit that to-day's reopening of Parliament may be the last of its kind, unless there is a visible improvement in the condition of Northern Ireland fairly soon.

Editorial comment Page 18

Drastic water cuts ordered

BY OUR OWN CORRESPONDENT

BELFAST, Oct. 4.

NORTHERN IRELAND is faced with a severe shortage of water, and the people will be affected by a drastic rationing of supplies announced to-day by the Belfast Water Commissioners. From Thursday morning supplies will be cut off or severely reduced between 8 a.m. and 8 p.m. daily. The cuts will affect 800,000 people in the east of the province, including Belfast and 14 other local authority areas stretching from southern County Down to northern County Antrim.

A statement by the Commissioners said it was planned to reduce the present level of consumption of 54m. gallons a day by half.

The main reasons for the emergency measures were given as drought—the past two years have been the driest for 20 years—rapidly increasing consumption, and wastage which has

been increased by the destruction of property in the IRA terrorist campaign.

But, in a carefully worded statement, the Commissioners said that "full consideration has had to be given to the very important aspects of security."

Restrictions
And another section said that the Government had accepted that restrictions on consumption were inevitable "and that the necessity to impose them has been forced on the Commissioners by factors additional to weather entirely outside their control."

A spokesman for the Commissioners declined to elaborate on this point. But he emphasised that supplies were safe bacteriologically although, because of the low state of reservoirs, the water might not be up to usual standards.

The Commissioners said that every effort would be made to ensure that public and other essential services such as hospitals and bakeries would be able to carry on without serious disruption.

They added: "Because of the importance of maintaining the economy everything possible will be done to assist industry to maintain production."

The spokesman, when asked if on the basis of information now available it would be necessary for factories to lay off workers, replied: "This is quite possible. Where few jobs are at stake we will be most sympathetic. Where fewer jobs are at stake we will have to take that into account."

He said it was impossible to predict when the restrictions might be eased. What was really needed was 12 inches of rain.

Jack Jones appeals for Labour unity

BY JOHN ELLIOTT, LABOUR EDITOR

BRIGHTON, Oct. 4.

EFFORTS to unite the various sections of the Labour movement behind new economic and industrial policies before the next election were built up here to-day by Mr. Jack Jones of the transport workers, who appealed for an "ending of the stress and strain between the trade union and intellectual wings of the party."

Mr. Jones was speaking on the eve of two days of key debates at the Labour Party Conference here which should open the way for the movement to start to thrash out a new policy and strategy and an alternative to the Industrial Relations Act.

Pulled apart
Significantly, Mr. Jones made his remarks to a meeting of the Labour Party which, he pointed out, was pulled apart from the right-wing of the party, is pulled apart from left-wingers like Mr. Jones but which can play an important role when Labour is in opposition by acting as a catalyst for new ideas and policies.

Mr. Jones, in particular, among other union leaders, is making it clear here that the

main task of the party this week is to close its ranks not only against the present Government but also so as to enable the coming months to be spent sorting out the types of problems which hitherto have split it when in power.

His appeal for unity, discussion and dialogue embraced all levels of the party from local constituencies and shop stewards' committees to the Parliamentary Labour Party, the party's National Executive and the TUC General Council—and included the academics understanding much more the working end of the Labour movement.

The party's "intellectuals" were urged by Mr. Jones to try to understand, for example, the reasons why trade unionists felt labour legislation encroached on their basic freedoms and why they reacted against old-style incomes policies, whether voluntary or statutory, which were based on "unfair norms" and other criteria.

Mr. Jones appeared to carry most of his audience along with him on these points, but lost favour with some when he

argued, as a union leader, that Parliament should become "a practical workshop" instead of "an extension of university debating societies" and that unions should try to sponsor more MPs who have practical industrial experience rather than "intellectuals" and other academics "who used the unions as stepping stones to Westminster."

Significance
The problem, he explained, was that there was a tendency for this type of person to "try to do good without practical experience."

The main significance of this encounter on the fringe of the Labour conference was not only what Mr. Jones said and the way he said it, but also the fact that he was received. In the context of the party's apparent determination to try to work out new constructive policies which can survive the stresses of Labour being in power, the main significance was that a leading left-winger like Mr. Jones addressed the Fabians and urged them to become involved with him and other union leaders and politicians in formulating new policies.

Institutions vote for R-R Ltd. liquidation

BY NICHOLAS LESLIE

DESPITE EFFORTS by a hostile meeting of shareholders to put off a liquidation of Rolls-Royce Ltd., a poll vote of 13.5m. against £1,000, reflecting the view of the institutions, yesterday approved the winding-up proposal. Earlier, a majority of about 1,000 shareholders at the extraordinary meeting in London had thrown out the proposal on a show of hands.

An estimated statement of affairs at August 14, presented by Mr. Rupert Nicholson, the Receiver, shows that the total deficiency for shareholders, subject to costs of realisation and the balance of proceeds from the sale of aero-engine assets to the Government-owned Rolls-Royce (1971), is £127.2m. Of this, there is a deficiency for unsecured creditors of £50.9m., after taking account of £30m. already received on account of the sale price for the gas-turbine business to R-R (1971).

No figure has been put on the estimated realisable value of assets with a book value of £174.9m. taken over by R-R (1971) and only an "arbitrary" £20m., compared with a book figure of £19.2m. is currently expected for assets sold to R-R Motors. This is because Mr. Nicholson feels that any estimation of a realistic value might prejudice a satisfactory realisation.

Mr. Nicholson disclosed that R-R Motors, which made profits of £2.25m. in 1970, was making a profit of £100m. and a further increase was expected in 1972.

Ransome to dismiss 730

By Harold Bolter, Industrial Correspondent

RANSOME HOFFMANN Pollard yesterday announced that it is dismissing 730 workers at two factories in its general bearings division.

About 390 employees will be affected at its Chelmsford factory and a further 340 at Newark. The workers involved are mainly concerned with production control, inspection and works services.

The dismissals are restricted to these two factories, which are most dependent on general industrial bearings business. None of the other RHP divisions or factories are affected.

Consultations are now taking place with employee representatives to discuss ways and means of making the labour force reductions.

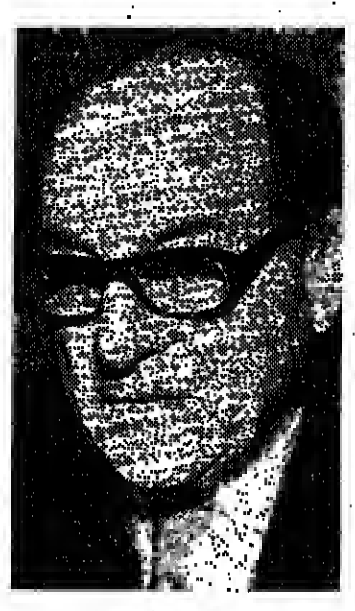
The redundancy decision follows a marked reduction in U.K. demand for standard bearings. Demand for bearings used in specialist, motor industry and overseas markets, on the other hand, has held up well.

Significantly, the RHP dismissals are confined mainly to indirect workers. The group, the U.K.'s largest bearing manufacturer, had already cut its overall work-force from 15,000 at the time of its formation at the beginning of last year to about 12,800. The latest reductions bring total employment to around 12,000.

It was also announced yesterday that Swan Hunter Shipbuilders is making 76 draughtsmen and other drawing office staff redundant in its Tyne yards because of a lack of new design work. A further 20 workers were paid off last week.

SIDEWINDER COIL SEALING PLATE CALLED IN

Yorkshire Imperial Metals is to call in a number of sealing plates sold with its Sidewinder conversion coils used in domestic central heating systems to modify hot water cylinders. About 1,300 are thought to be involved.



Mr. Whitney Straight

He felt that it was important not to sell this company on present figures, but to wait a 1972 forecast. In addition, it might be preferable to defer a public issue of shares in R-R Motors, expected in the spring of 1972, until it was known what would be received for the aero-engine division.

The price now regarded by Mr. Nicholson as the point at which unsecured creditors would be paid in full is £100m. He believed the Government had in mind a price for the aero-engine division "considerably below" £100m., while his own figure was considerably above it. It was "only a possibility, not a likelihood," he said.

When shareholders were given the floor the Board came under heavy fire. Efforts to elicit information on the causes of the

collapse were countered by Mr. Whitney Straight, the chairman, saying that such points were the subject of a probe by inspectors of the Department of Trade and Industry.

However, when there were calls for an adjournment of the meeting, Mr. Nicholson made it clear that the company was "hopelessly bankrupt," and referring to the RB-211 engine said that "that contract alone brought down Rolls-Royce."

Mr. Norman Cork, who with his brother, Mr. Kenneth Cork, last week put forward alternative proposals to a liquidation, disagreed with Mr. Nicholson that liquidation was the only means by which shareholders could be consulted. But later he advised shareholders that as neither the Board nor Mr. Nicholson agreed to any alternative, then liquidation was the only course.

Stumbling block

From the meeting, and the subsequent creditors' meeting, it is clear that while Mr. Nicholson is anxious to make an interim payment to creditors, it could be several years before the affairs of R-R Ltd. are finally settled. One important stumbling block to any payment is Mr. Nicholson's need to retain funds until the question of product liability insurance is finalised. Because until then, the Receiver is personally responsible for any claims made which relate to his period in office.

The three liquidators appointed are, as expected, Mr. Nicholson, Mr. Keith Wickenden, of accountants Thornton Baker and chairmen of the informal creditors' committee, and Sir William Slimmings, a partner in accountants Thomson McIntock and Co. They will be backed by a committee of inspection comprising five shareholders and five creditors. Names have yet to be announced.

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